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# ***Daily Report***

## **China**

FBIS-CHI-88-067  
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7 April 1988

# Daily Report

## China

FBIS-CHI-88-067

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**General**

**NATO Welcomes New Warsaw Pact Proposals**  
*OW071017 Beijing XINHUA in English 0118 GMT  
7 Apr 88*

[Text] Brussels, April 6 (XINHUA)—NATO is ready to review with great interest all the improvements which might open up dialogue prospects on the questions concerning both NATO and the Warsaw Pact, a NATO spokesman declared recently on the new appeal made by the Warsaw Pact for arms control negotiations.

"We welcome the statements of the Warsaw Pact foreign ministers in as much as they appear to reflect the taking into account of the concerns of NATO member countries," the spokesman said. "It is however important that the statements be translated into concrete proposals that will be submitted in negotiating fora."

The Warsaw Pact foreign ministers issued new proposals on March 30 for continuing the process to achieve a balance at lower levels and to eliminate on both sides the potential for surprise attacks.

The new proposals include implementation of the INF treaty and conclusion of the agreements on reducing short-range nuclear missiles and banning chemical weapons.

In regard to the above proposals, the spokesman said that NATO is interested in solving as early as possible the key problems of arms control. NATO is particularly interested in the control of conventional arms and the need to address this question in the manner defined in a document released on the occasion of the recent NATO summit, the spokesman noted.

**Zhou Peiyuan Meets Foreign Disarmament Scholars**  
*OW051800 Beijing XINHUA in English 1454 GMT  
5 Apr 88*

[Text] Beijing, April 5 (XINHUA)—Zhou Peiyuan, vice-chairman of the National Committee of the CPPCC, today met a group of scholars from other countries who are here attending a conference on nuclear disarmament and strategy.

The group, led by Carlo Schaerf, director of the International School on Disarmament and Research on Conflicts (ISODARCO) of Italy. [sentence as received]

At the conference, scholars from Italy, the United States and Britain, and their Chinese counterparts, will discuss issues related to nuclear disarmament, nuclear strategy and prohibition of nuclear tests.

The conference was sponsored by the China Institute of Contemporary International Relations, the Beijing Institute of Applied Physics and Computational Mathematics, and the ISODARCO.

**World Bank To Grant Loan to Shanghai**  
*OW061330 Shanghai Voice of Peking in Mandarin  
to Taiwan 1000 GMT 2 Apr 88*

[Text] In an interview before his departure from Shanghai, World Bank President Conable confirmed that the World Bank will provide \$200 million in loans to Shanghai annually to help it in its development. This was reported by Shanghai's XINWEN BAO.

Conable said: Shanghai has no problem borrowing internationally. The key is to spend such limited funds in industries which guarantee high returns and to speed up the circulation and utilization of funds. In this way, cooperation between the World Bank and Shanghai will increase.

**Talks Underway With UN Body on Agriculture Aid**  
*HK050857 Beijing CHINA DAILY in English  
5 Apr 88 p 2*

[By Wang Xiangwei]

[Text] The United Nations Development Programme (UNDP) is discussing with China the possibility of providing technical assistance in its agricultural development efforts and its reforms in the restructuring of the economic management system. CHINA DAILY yesterday learned that the Chinese Ministry of Agriculture, Animal Husbandry and Fisheries and the Food and Agricultural Organization (FAO) have inquired about more technical and personnel aid from the UNDP for China's agriculture.

The UNDP, the world's largest multi-lateral technical grant assistance programme, is also considering supporting China's reform of its economic management system, according to an official from the Ministry of Foreign Economic Relations and Trade (MOFERT). It recently hosted a series of meetings with the UNDP for assessments on the handling of UNDP-funded programmes in the country.

The official said the UNDP has already sponsored training courses for China's senior financial management personnel. However, she said, the final decision on whether the UNDP will grant assistance to China's rural development will not be made until around the end of this month when China and the UNDP will make a midterm assessment of the UNDP's five-year programme in China (1986-90).

XINHUA reported that the UNDP Country Programme is now providing China with \$128 million in grant assistance and more than 150 projects are being implemented.

The UNDP programme in China concentrates on five major themes laid down by the central government, namely human resources development, technical advances in existing industries, development of advanced technology, improvements in living standards and the application of electronic information technology.

XINHUA said officials from the UNDP and China agreed that reforms on China's restructuring of its economic system should become the sixth major theme.

The MOFERT official said 45 percent of the aid from UNDP has gone to China's industries.

From March 23-25 and March 29-31, MOFERT sponsored two meetings to assess the execution of the UNDP assisted programmes in China's industry, energy and agriculture and in the restructuring of its economic system.

CHINA DAILY was told that the meetings were also to determine whether revisions should be made for a meeting to be held around the end of this month.

The MOFERT official said Chinese directors of 38 technical co-operation projects, as well as officials from Chinese ministries and commissions, and officials from the UN organizations, participated in the meeting.

### Soviet Union

**Increased Border Trade Encourages Expansion**  
*HK070923 Beijing CHINA DAILY in English*  
7 Apr 88 p 2

[Excerpt] China will quickly expand its trade with the Soviet Union and East European countries, according to Zheng Tuobin, Minister of Foreign Economic Relations and Trade.

As part of the effort, various localities are being encouraged to expand trade ties with these countries, said Zheng while discussing foreign trade with deputies from Heilongjiang Province at the Seventh National People's Congress early this week. "Trade handled by the localities will be a focus in China's trade relations with other socialist countries," he said.

Already, China's far western Xinjiang Uygur Autonomous Region and Heilongjiang have reported marginal increases in their border trade with the Soviet Union.

An official from the Ministry of Foreign Economic Relations and Trade (MOFERT) told CHINA DAILY yesterday that trade between China's frontier provinces and regions and the Soviet Union increased by 80 percent in 1987.

According to Hou Jie, governor of Heilongjiang, the province, which shares a long border with the Soviet Union, logged 42.2 million Swiss francs in import-export volume with the Soviet Union in 1987 alone, 2.6 times the figure in 1983 when border trade resumed.

Officials from the two areas both pledged to make efforts to further expand economic and technological co-operation with the Soviet Union and East European countries. [passage omitted]

**Barter Trade With Nei Monggol Develops**  
*SK060432 Hohhot Nei Monggol Regional Service*  
in Mandarin 1100 GMT 4 Apr 88

[Text] Hulun Buir League has strengthened leadership over foreign trade work and has vigorously developed local trade and border barter trade with the Soviet Union and Mongolia.

Hulun Buir League is located in the northeastern area of our region, bordering the Soviet Union and the MPR. Within the boundaries of the region, the Binzhou railway, which runs through the whole line from the east to the west, benefits the foreign trade outlet of Manzhouli City as it runs from our country to the Soviet Union and the East European countries and serves as their east Asian continental bridge.

In order to fully display this geographic superiority, recently Hulun Buir League formulated a foreign trade development strategy. With support from Manzhouli and Dalian cities, this league has vigorously developed border trade with the Soviet Union and Mongolia. To this end, Hulun Buir League has strengthened leadership over foreign trade work and publicly turned the existing comprehensive foreign trade company into a local and border trade company to deal with grain, oil, foodstuffs, native and animal by-products, and light and textile products in an effort to cope with the development of foreign trade.

So far, Hulun Buir League has provided the Soviet Union with a commodity list for developing this year's local and border trade and has refurnished a showroom for export commodities. At the same time, this league has also dispatched personnel to some large and medium-sized cities and foreign trade outlets in the country to vigorously organize the supply of goods, and to find new cooperative partners in an effort to expand the exports of foreign trade.



**Fallen Red Army Heroes Honored in Jilin**  
*OW061402 Beijing in Russian to the USSR*  
1800 GMT 4 Apr 88

[Text] According to the Chinese lunar calendar, tomb-sweeping day is observed on 4 April. On that day people visit the tombs of their deceased relatives, as is the national custom.

At 0900 schoolchildren led by their teachers came to the monument to fallen heroes of the Soviet Red Army in Changchun Municipality, Jilin Province. After a moment of silence the teachers spoke to them about the spirit of internationalism exhibited by the Red Army of the Soviet Union in supporting the Chinese people in the anti-Japanese war. They instilled Chinese-Soviet friendship in the younger generation.

The schoolchildren then laid wreaths at the fallen heroes monument. A little earlier, party, administrative, and Army leaders as well as representatives of people's organizations of Changchun Municipality and Jilin Province came to the monument and laid wreaths.

The people of Changchun Municipality built this monument in 1945 to honor heroes of the Red Army of the Soviet Union who fell in the anti-Fascist war.

**Gorbachev, Najibullah Discuss 'Afghan Problem'**  
*OW061859 Beijing XINHUA English 1854 GMT*  
6 Apr 88

[Text] Moscow, April 6 (XINHUA)—Soviet leader Mikhail Gorbachev and head of the Kabul regime Najibullah arrived in Tashkent, capital of the Soviet Central Asian republic of Uzbekistan, today to discuss the Afghan problem.

According to the official Soviet news agency TASS, Gorbachev and Najibullah will have a meeting. However, TASS gave no details about the meeting.

The Soviet central television reported that Soviet Foreign Minister Eduard Shevardnadze, who paid a three-day visit to Kabul this week, also arrived in Tashkent from Kabul today.

Observers here have noted that the meeting between Gorbachev and Najibullah is taking place at a time when the UN-sponsored talks between Pakistan and the Soviet-backed Kabul regime failed to produce an agreement after Moscow rejected the idea that both the Soviet Union and the United States stop supplying military aid to either the Kabul regime or the guerrilla forces.

Shevardnadze and Najibullah hinted earlier this week that the Soviet Union will begin withdrawing its troops from Afghanistan even if the Geneva talks between Pakistan and the Kabul regime fail to produce any agreement.

**Agreement Imminent**

*OW061719 Beijing XINHUA in English 1707 GMT*  
6 Apr 88

["Agreement on Afghan Issue Possible in Coming Days"—XINHUA headline]

[Text] Moscow, April 6 (XINHUA)—There is a chance to conclude an agreement on a settlement of the Afghan issue in the coming days, not weeks, Anatoliy Dobrynin, secretary of the Soviet Communist Party Central Committee, was quoted as saying today.

Willy Brandt, former Federal German chancellor, who is paying a three-day visit to the Soviet Union, told a press conference this afternoon about Dobrynin's remarks.

Brandt, chairman of the Socialist International, said, "we can presume that such an agreement is a possibility."

Brandt, also an honorary chairman of the Social Democratic Party of Germany, told reporters that he discussed with Dobrynin the situation in Afghanistan and the Geneva indirect talks between Pakistan and the Soviet-backed Kabul regime.

He said that he had no time to discuss the Afghan problem with Soviet leader Mikhail Gorbachev on Tuesday though their talks covered wide-range of issues such as arms control and the security in Europe.

But when he met with Gorbachev in 1985, Brandt added, the Soviet leader hinted that Soviet troop withdrawal from Afghanistan would start.

Soviet Deputy Foreign Minister Vladimir Petrovski said here this morning that Soviet Foreign Minister Eduard Shevardnadze, who left for Kabul last Sunday, is still in Afghanistan for his "working visit."

He said the foreign minister discussed with the head of the Kabul regime "various versions" of resolving the Afghan problem, but he did not spell out the details.

**Talks 'Constructive'**

*OW061747 Beijing XINHUA English 1451 GMT*  
6 Apr 88

[Text] Moscow, April 6 (XINHUA)—Soviet Foreign Minister Eduard Shevardnadze and head of the Kabul regime Najibullah are discussing in Kabul "various versions" for a solution to the Afghan problem, a senior Soviet official said here today.

Vladimir Petrovskiy, Soviet deputy foreign minister, told a news conference that the Soviet Union hopes the Kabul-Pakistan Geneva talks successful, "but at the same time it takes into account another possibility."

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He said Shevardnadze and Afghan officials are discussing "variants" for a withdrawal outside the framework of a Geneva accord.

He told reporters that the talks between Shevardnadze and Najibullah are "constructive," but he refused to give details of the talks.

Shevardnadze arrived in Kabul on Sunday for a "working visit" before the talks between the Kabul regime and Pakistan resume this week.

The UN-sponsored indirect talks in Geneva stalled after Moscow rejected the idea that both the United States and the Soviet Union stop supplying military aid to either the Kabul regime or the guerrilla forces.

The Soviet news agency TASS reported Monday that Shevardnadze and Najibullah agreed the 115,000 Soviet occupation troops would withdraw even if the Geneva talks break down.

The Soviet Union invaded Afghanistan in 1979. At today's press conference Petrovskiy also said that Shevardnadze will lead a Soviet delegation to the special session of the UN General Assembly on disarmament scheduled on May 31. He said the Soviet Union hopes that the upcoming session will give a powerful impetus to all the talks on limiting and curbing the arms race.

**PRAVDA Reports Armenian Dissidents Arrested**  
*OW070351 Beijing XINHUA in English 1438 GMT*  
4 Apr 88

[Text] Moscow, April 4 (XINHUA)—A group of Armenian nationalists have been arrested and charged with sedition in the recent disturbances in Armenia and Azerbaijan, the Soviet party newspaper PRAVDA reported today.

The newspaper said that Paruir Airikyan, head of the dissident Association for Armenian National Self-Determination, was charged by the Armenian Public Security Bureau for "actively stirring up troubles" in the ethnic unrest.

It said that Airikyan, a former political prisoner as well as a criminal, has engaged in sabotage since 1987 "under the signboard of concerning the benefits of Armenian people."

Airikyan's accomplice, the dissident publisher Sergei Grigoryants, incited to establish organizations in the West to support the nationalists' activities in the Soviet Union, PRAVDA said.

Beginning February 11, Armenians living in the Nagorno-Karabakh Autonomous Region held rallies to press for the region's incorporation into the neighboring Republic of Armenia. Official reports said that more than 30 people were killed in the unrest.

**PRAVDA Criticizes Conservatism, Dogmatism**  
*Beijing XINHUA in English 1516 GMT*  
5 Apr 88

[Text] Moscow, April 5 (XINHUA)—The Soviet Communist Party newspaper PRAVDA today criticized conservatism and dogmatism in the country's ongoing reform and called for more democracy and greater glasnost (openness).

The newspaper's article was published on the eve of the third anniversary of the party's April plenary session in 1985, in which Soviet leader Mikhail Gorbachev launched his reform program one month after becoming the general secretary of the Soviet Communist Party.

The article said that any attempts to abandon or postpone the reform will damage the country's social development and its reputation in the world.

It is more difficult than expected to extricate from conservatism, which was considered as the main obstacle to the reform, it said.

The article warned against the ideas that greater democracy and openness could shake the socialist foundation and deviate from Marxism.

It also warned those who linked the existing unhealthy tendencies with the outcome of reform and regarded criticism of the late Soviet leader Josef Stalin as negating the historic achievements of the Soviet Union.

PRAVDA criticized some intellectuals for alienating themselves from the people and distorting historic facts in their works.

**Arbatov Criticizes 1970's Foreign Policy**  
*OW060915 Beijing XINHUA in English 1458 GMT*  
4 Apr 88

[Text] Moscow, April 4 (XINHUA)—A Soviet well-known expert in world affairs Georgiy Arbatov said in the fifth issue of "COMMUNISTS" that the Soviet Union committed some faults in its foreign policy in the 1970s.

However, he pointed out that protracted positive changes will likely occur in international relations.

Arbatov said the Soviet Union failed to conform to reality in understanding the international relations in the 1970s and slowed its pace in abandoning the traditional concept in political and military affairs.

The Vienna disarmament talks which started 14 years ago, he said, is stalling and ineffective negotiations, which befuddled the people in the West and made them have a false sense of security.



Arbatov said the problem in the 1970s Soviet foreign policy is that when the United States put forward a military plan, the Soviet Union was always forced to make a response ignoring its economic capability and political situation.

Though the 1970s witnessed a swing from detente to a "cold war", the process can be avoided at present, he said.

**Company Officials Dismissed for Embezzlement**  
*OW060641 Beijing XINHUA in English 1538 GMT*  
3 Apr 88

[Text] Moscow, April 3 (XINHUA)—The general manager and Communist Party secretary of a Soviet machine-building company have been stripped of their party memberships for embezzlement, excessive drinking, and abuse of power.

The party newspaper "PRAVDA" identified the disciplined officials as General Manager D.B. Pukin and Secretary A.T. Samalkin of the "Salyut" Machine-Building Company under the Aircraft Ministry. Vice Aircraft Minister B.M. Chuyko and Deputy Company General Manager B. Leonnov were also given disciplinary warnings.

According to "PRAVDA," the company leaders spent huge sums for banquets, pleasure tours, drinking, and illegal support to an ice hockey team. The paper charged that on one occasion a fire that caused heavy losses was attributed to drunkenness of the entire staff of a company workshop.

The company party organ was also said to have attempted to block a probe of the firm by the Communist Party Central Department.

**Indian Envoy Delivers Letter to Gorbachev**  
*OW070001 Beijing XINHUA in English 0205 GMT*  
5 Apr 88

[Text] Moscow, April 4 (XINHUA)—Soviet leader Mikhail Gorbachev met here today Indian Ambassador Triloki Nath Kaul who delivered to him a letter from Indian Prime Minister Rajiv Gandhi.

According to the official Soviet news agency TASS, Gorbachev had "a brief chat" with the Indian ambassador concerning the question of regular dialogue between the two countries' leaders and international problems.

But TASS did not give any detail of the letter.

In another development, Soviet Party Secretary Anatoliy Dobrynin today met Indian Minister of State for External Affairs Natwar Singh who is on a working visit here. They discussed the pressing issues facing the world, the

Soviet-Indian cooperation and the development of relations between the Soviet Communist Party and the Indian National Congress (I).

**Northeast Asia**

**Japanese Premier Wants Talks on Beef Issue**  
*OW060001 Beijing XINHUA in English 1203 GMT*  
3 Apr 88

[Text] Tokyo, April 3 (XINHUA)—Prime Minister Noboru Takeshita said today that Japan wants to solve its dispute over beef and citrus imports with the United States through bilateral talks, rather than through mediation by the General Agreement on Tariffs and Trade (GATT).

On a stumping tour of the southwestern prefecture of Saga, Takeshita told a rally for a Liberal Democratic Party candidate that although Japan and the United States ended their top-level talks without agreement last Thursday, Agriculture, Forestry and Fisheries Minister Takashi Sato may return to Washington for yet another round of negotiations.

After Japanese rejection of a U.S. demand that Tokyo liberalize imports of beef and oranges, Washington said it would file a complaint with GATT, the Geneva-based international trade watchdog. However, it also accepted a Japanese request for further negotiations before a GATT panel is established to discuss the matter.

**Japan, U.S. To Hold Talks on Financial Markets**  
*OW060941 Beijing XINHUA in English 1629 GMT*  
4 Apr 88

[Text] Tokyo, April 4 (XINHUA)—Japan and the United States will hold follow-up talks here on April 20 to review the progress of Japan's liberalization of financial markets, a Finance Ministry official said today.

The Japanese team, to be led by Vice Finance Minister Toyo Gyohten, will explain to U.S. officials measures Japan has taken since the last meeting held in May, the official said.

The measures include the creation of a commercial paper market and liberalization of interest rates on large-lot deposits.

The U.S. team will also be informed of Japan's preparations for the creation of the financial futures market, which is planned within this year at the earliest, the official said.

The U.S. delegation, to be headed by Assistant Secretary of Treasury Department David Mulford, is expected to urge Japan to set a timetable for the liberalization of interest rates on small-lot deposits and the introduction

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of a bidding system for Japanese Government bonds to be [words indistinct] foreign securities houses and financial institutions, according to the official.

**U.S. Ambassador Criticizes Toshiba Ban**

*OW052307 Beijing XINHUA in English 1302 GMT  
4 Apr 88*

[Text] Tokyo, April 4 (XINHUA)—U.S. ambassador to Japan Mike Mansfield today described as excessive the United States' 3-year ban on government procurement contracts from the Toshiba Corporation of Japan.

Mansfield made the statement at a meeting with Takako Doi, chairman of the largest opposition Japan Socialist Party (JSP), according to JSP officials.

A joint panel of U.S. Senators and Representatives decided last week to incorporate into legislation a 3-year import ban on products of the Toshiba Machine Company.

However, Mansfield said that it was inevitable for the Toshiba Machine Company to have a 3-year U.S. import ban because of its export of sensitive high technology to the Soviet Union.

Negotiators in the U.S. Congress also decided to slap a 3-year ban on government procurement contracts for the Toshiba Corporation, Toshiba Machine Company's parent firm.

**Mansfield Given Letter of Protest**

*OW061117 Beijing XINHUA in English 1556 GMT  
5 Apr 88*

[Text] Tokyo, April 5 (XINHUA)—Japan today lodged a protest against the latest U.S. Congressional moves in connection with an omnibus trade bill, according to the KYODO NEWS SERVICE.

Handing over a letter of protest to U.S. Ambassador to Japan Mike Mansfield, International Trade and Industry Minister Hajime Tamura said the trade bill regrettably contains protectionist clauses.

Tamura said revision of the 30th clause of the 1974 Trade Act, which calls for a transfer of the authority to impose sanctions from the President to the U.S. trade representative and mandatory invoking of sanctions, would give rise to strong fears that the U.S. is moving toward protectionism.

He warned that a provision calling for the U.S. Government to impose a three-year import ban on products of the Toshiba group of Japan would adversely influence Japanese public opinion and fuel anti-American sentiment. Toshiba is accused of exporting sensitive high technology to Moscow.

Mansfield was quoted as saying that U.S. President Ronald Reagan's administration is holding to the stance that it objects to the trade bill in the form agreed upon in a Senate-House conference.

**Need for Partnership Stressed**

*OW061405 Beijing XINHUA in English 2112 GMT  
5 Apr 88*

[Text] Tokyo, April 5 (XINHUA)—American Ambassador to Japan Mike Mansfield said here today that contentious trade issues must not be allowed to overshadow the fundamental strength of overall Japanese-United States relations.

At a reception held in his honor by Japanese parliamentarians, Mansfield said that beef and oranges must not become the symbols of U.S.-Japan relations.

Japan and the United States have been locked in a dispute over import quotas of beef and oranges.

The ambassador, who has served here since 1977, stressed that "The United States and Japan are partners and at the same time competitors." Mansfield, 85, recently returned to Japan after recuperating from heart surgery for four months in the United States.

**Six Soviet Warships Spotted in Japan Sea**

*OW061029 Beijing XINHUA in English 1951 GMT  
6 Apr 88*

[Text] Tokyo, April 4 (XINHUA)—A Soviet fleet of six warships was spotted cruising in the Japan Sea, some 200 to 300 kilometers off Wajima, Ishikawa Prefecture early today, the KYODO NEWS SERVICE reported.

An MP6 class missile supply ship, said to be carrying SSN5 anti-air and antiground attack nuclear missiles, was also among the fleet which moved to waters some 80 kilometers north of Iki Island, Shimane Prefecture, by noon, KYODO quoted the Maritime Self-Defense Force (MSDF) as saying.

The MSDF believed the Soviet fleet, led by the aircraft carrier Novosibirsk, is countering the Team Spirit '88 joint U.S.-South Korea military exercise now under way on the eastern coast of South Korea.

It was for the first time since last August that the 37,100-ton Novosibirsk belonging to the Soviet Pacific Fleet has been confirmed operating near Japan, the MSDF said.



**Japanese Socialist Leader To Visit USSR**  
*OW051134 Beijing XINHUA in English 0930 GMT  
4 Apr 88*

[Text] Moscow, April 4 (XINHUA)—Japanese Socialist Party chief Takako Doi will visit Moscow early next month for talks with Mikhail Gorbachev and other Soviet leaders, a well-informed Japanese source said here today.

Doi, who became the chairwoman of the Central Executive Committee of the Socialist Party of Japan in September 1986, will discuss with Soviet leaders on Japanese-Soviet relations and international issues, in particular Asian-Pacific problems, the source said.

Doi's forthcoming visit is designed to improve ties between the Japanese Socialist Party and the Soviet Communist Party, according to the source.

Meanwhile, it is learned that Soviet Foreign Minister Eduard Shevardnadze will pay a visit to Tokyo in the second half of this year.

Tokyo and Moscow began in 1985 to approach each other after a long chill and their relations improved slightly. Shevardnadze visited Tokyo of January 1986. But, their relations became strained again last year when each side reiterated their separate stands on the key issues of the four northern Japanese islands currently occupied by the Soviet Union.

The Soviet Union has repeatedly criticized Japan for its participation in the U.S. Strategic Defense Initiative (SDI) program, known as "Star Wars."

**CPPCC's Zhao Puchu Meets Japanese Guest**  
*OW061425 Beijing XINHUA in English 0937 GMT  
5 Apr 88*

[Text] Beijing, April 5 (XINHUA)—Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met here today Chiyo Miyazaki, widow of Seimin Miyazaki, the late director general of the Japan-China Friendship Association of Japan.

Mrs. Miyazaki arrived in Beijing April 2 at the invitation of the China-Japan Friendship Association.

**Joint Japanese Oil Exploration Office Opens**  
*OW061446 Beijing XINHUA in English 1326 GMT  
6 Apr 88*

[Text] Tianjin, April 6 (XINHUA)—The Sino-Japanese Laizhou Bay (Bohai) Petroleum Development Corporation has opened a mining office in Tanggu of this north China city.

The office will take charge of petroleum exploration in an area of 1,840 sq km in the Laizhou Bay of the Bohai Sea. The exploration in the zone began in mid-February.

The zone is located to the west of the Shengli oilfield and north of the Yellow River depression where rich oil deposits have been found.

Sino-Japanese cooperation in the petroleum exploration in the Bohai Sea has been fruitful. The example is the Chengzei oilfield that has already gone into operation.

**JSP Seeks Improved Ties With South Korea**  
*OW060219 Beijing XINHUA in English 1259 GMT  
3 Apr 88*

[Text] Tokyo, April 3 (XINHUA)—The Leader of the Japan Socialist Party (JSP), the largest opposition party in Japan, says she wants to improve ties with South Korea.

At a press conference in Naha, capital of the southernmost prefecture of Okinawa, where she is on a stumping tour for the local prefectural assembly elections, Doi said her party would seek to cooperate with the South Korean people in helping correct the current Japan-South Korea trade imbalance in favor of Japan, promote bilateral economic cooperation, and protect the human rights of Korean residents in Japan.

Last February, during the JSP Congress, Doi said she wished to visit Seoul before September 17 when the summer Olympic games begin there, and political observers said then that the JSP appeared to be seeking an improved relationship with Seoul.

**DPRK Denounces Japan's Reentry Policy**  
*OW070555 Beijing XINHUA in English 1044 GMT  
4 Apr 88*

[Text] Pyongyang, April 4 (XINHUA)—The Central Committee of the Democratic Front for the Reunification of the Fatherland of Korea denounced Japan Sunday for its refusal to grant reentry permit to Korean residents in Japan if they visit their homeland.

According to KOREAN CENTRAL NEWS AGENCY (KCNA), five deputies to the Supreme People's Assembly of the Democratic People's Republic of Korea, including Han Tok-Su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, are unable to attend the third session of the Eighth Supreme People's Assembly to be opened Tuesday in Pyongyang, because Japan refused Friday to grant them reentry permit.

A spokesman for the organization in a press statement Sunday denounced Japan's move as part of its sanctions against the DPRK over the KAL incident which it said has nothing to do with it, according to the KCNA.



**3d Session of DPRK National Assembly Opens**  
*OW050856 Beijing XINHUA in English 0829 GMT*  
**5 Apr 88**

[Text] Pyongyang, April 5 (XINHUA)—The Third Session of the Eighth Supreme People's Assembly of the Democratic People's Republic of Korea (DPRK) opened here today.

Finance Minister Yun Ki-chong reported to the session on the fulfillment of the state budget for 1987 and on the state budget for 1988.

Korean party and government leaders Kim Il-song, Kim Chong-il, O Chin-u, Yi Kun-mo, Pak Song-chol and Yi Chong-ok attended the session.

**Wu Xueqian Meets DPRK Media Delegation**  
*SK050356 Pyongyang Domestic Service in Korean*  
**1300 GMT 31 Mar 88**

[Text] On 30 March, Comrade Wu Xueqian, member of the Political Bureau of the CPC Central Committee, member of the State Council, and foreign minister, met with the delegation of the Korean Central Broadcasting Committee headed by Chairman Chu Hyon-ok, now visiting China, at the Great Hall of the People in Beijing.

The talks proceeded in a warm and friendly atmosphere. Present at the talks were Wang Feng, Chinese vice minister of Radio, Film, and Television and Sin In-ha, ambassador of our country to China.

**S. Korea's Chon Tu-hwan Accused of Corruption**  
*OW071003 Beijing XINHUA in English 1922 GMT*  
**6 Apr 88**

[Text] Beijing, April 6 (XINHUA)—Former South Korean President Chon Tu-hwan and his family have been accused of illegally sending huge sums of money abroad for real estate and stock investment in the United States and Australia.

Opposition leader Kim Tae-chung said today that an "unofficial investigation" has confirmed that the Chons illegally sent money abroad for their own investment, according to news reports reaching here today.

The ASSOCIATED PRESS reported that Kim told a rally of his Peace and Democracy Party that the Chon family owned more than 50 percent of the equity shares of an Australian brewery, purchased a large amount of stock in the Swan Lake Motel chain in Australia, and also invested large sums of money in the United States.

The opposition leader demanded that the government of President No Tae-u investigate the alleged corruption.

Chon stepped down in February after seven years as South Korea's president and was succeeded by No.

Chon's younger brother, Chon Kyung-hwan, was arrested last month on charges of embezzling 10.4 million dollars, influence peddling and tax evasion during his leadership of the officially backed Saemaul Undong (New Community Movement) development organization.

Today's news reports said former President Chon has been in the United States with his wife and children for the past two weeks where he met with President Ronald Reagan in Washington.

YONHAP, the official Korean news agency, reported that leaders of the ruling Democratic Justice Party dismissed the opposition's allegations of corruption by former President Chon as "hackneyed propaganda offensives."

**Opposition on Chon Corruption**  
*OW050942 Beijing XINHUA in English 1318 GMT*  
**4 Apr 88**

[Text] Beijing, April 4 (XINHUA) — South Korean opposition leader Kim Tae-chung demanded today that former President Chon Tu-hwan account for alleged corruption by his brother and government officials under his administration, according to reports reached here.

Kim Tae-chung claimed that Chon's younger brother Chon Kyong-hwan and his associates had embezzled more than 1 billion U.S. dollars. However, the government last week charged the younger Chon and 10 others with embezzling 10.4 million U.S. dollars while he was head of the Saemaul (New Community) Development Organization.

Opposition parties claimed the government is suppressing information about what they say is Chon family wrongdoings. Kim charged today: "I have convincing evidence that the government is abridging the extent of the corruption in a conspiracy with (former President) Chon."

Kim also claimed many ruling party officials and President No Tae-u were involved in the corruption during Chon's rule and demanded No clarify his role in the scandal.

**South Korea To Cut Tariffs on Consumer Goods**  
*OW061041 Beijing XINHUA in English 1448 GMT*  
**5 Apr 88**

[Text] Beijing, April 5, (XINHUA)—South Korea will cut tariffs on 92 major consumer goods by about half in a move to expand imports, according to reports today quoting the South Korean Economic Planning Board (EPB).

South Korea also plans to scrap or ease various import regulations, the South Korean YONHAP NEWS AGENCY reported today.

The government also will apply a quota tariff system on foreign goods whose prices are much lower than those of South Korean-made goods. These include cosmetics, detergents and medicines. The EPB is also expected to alleviate import restrictions and import recommendation systems.

The South Korean regime expects that these measures, designed to increase imports, will contribute to enhanced competitiveness of home-made goods as well as to price stability in the country.

The 92 items include 29 processed goods, 56 industrial goods and seven medicines and cosmetics. Tariffs on these items now range from 1-41 percent.

### Southeast Asia & Pacific

**Commentary on SRV 'Propaganda' on Spratlys**  
*HK070638 Beijing JIEFANGJUN BAO*  
*in Chinese 31 Mar 88 p 2*

[“Commentary” by JIEFANGJUN BAO commentator Chen Xiong (7115 7160): “Creating an Upsurge Against China Will Not Help Hanoi”]

[Text] Recently, the Vietnamese authorities have continuously sent large numbers of ships to invade China's Nansha [Spratly] waters, and to carry out provocations there. They have stepped up their efforts to invade and occupy some islets and reefs around China's Nansha Islands. On 14 March, Vietnamese ships outrageously launched an armed attack on Chinese ships which were carrying out normal investigations during patrol duties. They created a tense situation in the region. However, the Vietnamese authorities played the trick of a thief crying “stop thief,” and set their propaganda machine in motion to launch a gratuitous attack on China, and to start a new nationwide upsurge against China to achieve their ulterior goals.

The relevant departments in China recently sent some ships to the Nansha Islands waters to carry out scientific investigations and patrols. These are normal actions within our country's sovereign rights, which brook no interference or obstruction. However, such blameless and normal actions have irritated the nerves of the Vietnamese authorities. They have hysterically vilified and hurled slander at China. Since mid-February and the latter half of the month, the Vietnamese leaders have attended to the matter personally, the Vietnamese Foreign Ministry has issued one statement after another, and various newspapers and broadcasting stations have continuously published and broadcast articles. Hanoi has even incited the masses of various circles and democratic parties to hold rallies, and asked their leaders of

these parties to make speeches. They have shouted at the tops of their voices, and sung the same tune set by the Vietnamese authorities to throw slops on China.

During the wave of opposing China, Hanoi is particularly energetic in attacking China for so-called “invading Vietnam's territorial sovereignty.” They say that the action taken by China is aimed at “pushing its gate beyond its geographical boundaries,” and that it is a “brutal invasion and trampling on” Vietnam's territory and territorial waters, and a “premeditated expansionist move.” This is an out-and-out slanderous accusation. It is known to all that just like the Xisha [Paracel] Islands, the Dongsha [Pratas] Islands, and the Zhongsha [Macclesfield Bank] Islands, the Nansha Islands have been China's territory since long ago. China has undisputed sovereignty over the Nansha Islands, and the nearby waters. China sending people to the Nansha waters to conduct scientific investigations, or carry out training, or carry out patrols is a matter which is completely in accord with legal principle. How can it be regarded as “invading” Vietnamese territorial sovereignty? Actually, the trick being played by Hanoi is nothing new. Whenever Hanoi intends to nibble and invade China's territory and territorial waters, it always makes a false countercharge so that it can mislead the public and deceive the people of the whole world. It is now playing the same old trick. However, the facts are as clear as daylight. It is precisely Hanoi which is illegally occupying some islets around China's Nansha Islands to set up posts, and to step up its war preparedness there. In particular, recently Hanoi has greatly increased the number of ships it sends to the Nansha waters. The number of Vietnamese airplanes intruding into Nansha airspace has also increased. Incidents of Vietnamese ships and airplanes carrying out provocations against Chinese personnel who are carrying out scientific investigations, and opening fire at Chinese ships to injure personnel on the Chinese side have also occurred. Vietnam, which is guilty of intruding into other countries, and other people's homelands, pretends to be a man of honor. This is the same as the act of a robber who plants stolen goods on other people, and is no different from making unfounded countercharges. However, Hanoi must realize that all these tricks are of no use.

While making an uproar of opposing China, Hanoi has also talked nonsense. It has said that the action taken by China “has run counter to the trends of relaxation in the world,” and “blocked the trend of development of dialogue in Cambodia.” What unwarranted political labels to put on China! However, no matter how hard the Vietnamese rack their brains, it is impossible for them to put those labels on China. A small number of Chinese ships carry out scientific investigations, and go on patrol within the scope of China's sovereignty. They do so with the aim of maintaining peace. Has this anything to do with Cambodia, which is 1,000 li away? Vietnam makes a big fanfare over an unrelated matter. This precisely shows the stupid trick of Vietnam aimed at opposing China. It is precisely Hanoi itself rather than other



countries which has blocked the trend of development of dialogue in Cambodia. People all over the world know that Vietnam's sending troops to invade and occupy Cambodia is a hot spot which impedes the relaxation of world tension. All peace-loving countries in the world, including China, sincerely hope that Vietnam will withdraw all its troops from Cambodia as early as possible, and solve problems through a dialogue with Prince Sihanouk and the various sides of Democratic Kampuchea. However, the Vietnamese authorities still refuse to withdraw their troops from the country to date; they stick to their stubborn stand of refusing to hold talks. In so doing, they cannot but be widely condemned by international opinion. Taking the issue of Nansha, Hanoi has wantonly made slanderous charges against China. However, all this will be of no avail.

With regard to preaching that the action taken by China constitutes a "threat to the Southeast Asia region," this is nothing but a myth fabricated by the Vietnamese. The Vietnamese leaders and their propaganda machine never stop saying that the activities of the Chinese ships in Nansha are a "new escalation of the expansionist plot," which is a "threat" to the "interests and security" of various Southeast Asian countries. No matter how hard Hanoi enumerates these accusations, people who can think things out for themselves will never be taken in. The purpose of Hanoi in carrying out such incitement is nothing but to sow discord between China and the ASEAN countries, and to undermine their friendly relations so that it can conceal its expansionist acts in the region. However, in the past such plots have never succeeded. Now, it will also end in bankruptcy.

It is not surprising that the Hanoi authorities have started such an upsurge against China. At present, Vietnam's domestic economy is in a mess. The broad masses of cadres and people have many complaints about this. Vietnam has a bad name in the world, and is absolutely isolated. This has resulted from the policy of aggression and territorial expansion pursued by the Hanoi authorities. To our regret, instead of realizing its errors and mending its ways, and striking out on a new path, Hanoi is making a great hue and cry over the issue of the Nansha Islands. It is dreaming of seeking a way out amid a hue and cry of opposing China. However, facts have proved, and will continue to prove, that this method does not work, and will never help Hanoi.

**Philippine Envoy Interviewed on Aquino's Visit**  
*HK071005 Beijing International Service in Tagalog*  
1130 GMT 6 Apr 88

[Text] Philippine President Corazon Aquino is due to visit China in mid-April this year. XINHUA NEWS AGENCY reporters recently interviewed Philippine Ambassador to China Mr Alfonso Yuchengco. He stated that President Aquino's visit is of great significance in promoting the close traditional friendship between the people of China and the Philippines and in enhancing

friendly relations between the two countries. The visit will open a new chapter in the history of friendship between China and the Philippines.

Ambassador Yuchengco said, as neighboring countries, both China and the Philippines have shared a common destiny. Since the assumption of President Aquino to the presidency in February 1986, she has strictly implemented the policy of one-China; and Sino-Philippine relations have improved further in the political, economic, and cultural domains.

In March 1986, the Chinese Government sent a cultural delegation to the Philippines; it became the first country to conclude a cultural accord with the new Philippine Government. Over the last 2 years, the Philippine Government and House of Representatives have also sent delegations to China. These trips played a big role in promoting understanding and friendship between the people of the two countries.

Ambassador Yuchengco also noted the significant cultural exchanges between the two countries, covering the fields of literature, films, print media, and education. Economic ties between the two countries are also progressing smoothly. Ambassador Yuchengco noted that the volume of trade has continued to grow in the last 2 years, reaching \$300 million in 1987, the highest in recent years. However, trade between the two countries is not very even. But the ambassador believes that the problem can be resolved satisfactorily through relentless efforts by both governments.

Ambassador Yuchengco also talked about domestic conditions in the Philippines. He said that when President Aquino assumed power 2 years ago, she was confronted by a multitude of problems left behind by the past president. The country was faced with economic crisis, insurgency, foreign debts, and other things. However, within a short period of time, the new government was able to overcome the situation by implementing numerous measures and stabilized the domestic situation. To improve the country's economy, the government drew up long term plans to revitalize the economy, with the thrust on promoting agriculture and seeking new investments as well as new foreign assistance. The government thus laid the foundation for development of the country's economy.

Ambassador Yuchengco happily noted that the country's situation has improved considerably with last year's GNP rising by 5.8 percent compared to that of 1986. It is expected that this year's GNP will grow from seven to eight percent over that of last year. Such rapid growth is rare in the Philippines' economic history.

**Five Soviet Advisers Killed in Cambodia**  
*OW071045 Beijing XINHUA in English 1035 GMT*  
7 Apr 88

[Text] Beijing, April 7 (XINHUA)—Five Soviet military advisors have been killed in an ambush by the National Army of Democratic Kampuchea in southwestern Kampuchea.

According to a Radio Democratic Kampuchea report today, the National Army attacked a truck carrying Soviet military advisors and Vietnamese troops near Kaong township on March 29, killing 10 persons including five Soviets, and wounding 12 others.

The truck was going from Phnom Penh to Kompong Som on the No. 4 Highway, the radio said.

### **Near East & South Asia**

**Saudi Minister Denies PRC Missiles Carry Nukes**  
*OW061957 Beijing XINHUA in English 1926 GMT*  
**6 Apr 88**

[Text] Cairo, April 6 (XINHUA)—Saudi Arabia has always been opposed to the use of nuclear weapons and has exerted efforts to make the Middle East a nuclear-free zone, visiting Saudi Minister of Information Ali Hasan al-Sha'ir said here today.

Talking to newsmen after meeting with Egyptian President Hosni Mubarak, Al-Sha'ir dismissed the allegation that the medium-range missiles which Saudi Arabia obtained recently carried nuclear warheads, Egypt's MIDDLE EAST NEWS AGENCY (MENA) reported.

On recent Israeli threats to attack Saudi Missile bases as a pre-emptive measure because of the recent missile purchase, Al-Sha'ir said that Saudi Arabia has the right as a sovereign power to acquire armaments and to purchase weapons from any sources it chooses to protect its territories and citizens.

Al-Sha'ir also said that his country denounces this week's hijacking of a Kuwaiti airliner and any similar terrorist activities.

The Saudi Minister added that he conveyed to President Mubarak "special and cordial" greetings of King Fahd ibn 'Abd al-'Aziz and Saudi officials.

The Saudi minister arrived in Cairo yesterday. The two countries resumed diplomatic ties after last November's Arab summit in Amman. Saudi Arabia had joined other Arab states in breaking diplomatic relations with Egypt after the Egyptians signed a peace treaty with Israel. The Arab world isolation of Egypt ended with last year's summit.

**Yang Dezhi Fetes Bangladesh Army Chief**  
*OW061416 Beijing XINHUA in English 1023 GMT*  
**6 Apr 88**

[Text] Beijing, April 6 (XINHUA)—Yang Dezhi, member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, met and hosted a banquet for Lieutenant General Atiqur Rahman, chief of Army staff of Bangladesh, and his party here today.

**Ministry Official Meets With Bahraini Leaders**  
*OW070517 Beijing XINHUA in English 1237 GMT*  
**6 Apr 88**

[Text] Kuwait, April 6 (XINHUA)—Bahraini Amir 'Isa ibn Salman Al Khalifah met in Manama today with visiting Chinese Envoy Yang Fuchang, who came to the country Monday for a visit at the invitation of the Bahraini Foreign Ministry.

Yang Fuchang, director of the Asian-African Department of the Chinese Foreign Ministry, conveyed to the amir greetings from Chinese President Li Xiannian and Acting Premier Li Peng and expressed the hope for closer ties with that Arab country.

A Bahraini official source told XINHUA in a telephone interview that the Arab leader also expressed the desire for better relations between the two countries and appreciated China's stance of persistent support for Arab and Palestinian people's just cause.

On Tuesday, Bahraini Prime Minister Khalifa ibn Salman Al Khalifah and Foreign Minister Muhammad ibn Mubarak Al Khalifah held separate meetings with the Chinese envoy on bilateral relations and issues of common concern.

China and Bahrain have not yet established diplomatic relations.

**Soviet Offensive Against Afghan Rebel Bases**  
*OW061536 Beijing XINHUA in English 1504 GMT*  
**6 Apr 88**

[Text] Islamabad, April 6 (XINHUA)—Soviet occupation troops recently launched a big military offensive against Afghan resistance forces in Parwan Province, east Afghanistan, according to a resistance source here today.

The source said that 5,000 Soviet troops attacked Afghan guerrilla bases in Ghorband area in Parwan Province from March 30 to April 3.

After a stiff resistance, he noted, the Muslim guerrillas succeeded in frustrating the Soviet military operation.

The source said that the resistance forces killed 18 Soviet troops, captured 39 others and seized a large number of arms and munitions. Several guerrillas lost their lives during the fighting, he added.

The source also revealed that the Soviet troops are reinforcing their military camps in various provinces in Afghanistan with heavy arms and armored vehicles.



### Sub-Saharan Africa

#### Chinese Officials Receive Mauritian Delegation

##### Wu Xueqian Meets Group

OW050810 Beijing XINHUA in English 1304 GMT  
4 Apr 88

[Text] Beijing, April 4 (XINHUA) — Chinese State Councillor and Foreign Minister Wu Xueqian met here this evening a delegation from the Mauritian Labour Party led by its leader and President Satcam Boolell here this evening.

Boolell is also deputy prime minister and minister of external affairs and emigration.

##### Li Peng Welcomes Group

OW051657 Beijing XINHUA in English 1625 GMT  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—Chinese Acting Premier Li Peng met here today with a delegation from the Mauritian Labor Party, led by its President Satcam Boolell.

Li, also a Standing Committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee, extended a warm welcome to the guests in the name of the CPC and the Chinese Government.

All countries, no matter whether they are small or big, have their own advantages, the acting premier said.

The cooperation in the fields of economy, science and technology between China and Mauritius, Li went on, has enjoyed a great increase in the past few years.

The two countries can learn from each other, share experiences and conduct cooperation in many fields, Li added.

He expressed his hope that the friendly ties between the two parties, and the economic, scientific and technical cooperation between the two countries will be further promoted.

Li also briefed Boolell on the 13th CPC National Congress and the first session of the Seventh National People's Congress, as well as on China's plans for economic and educational development in the coming five years.

Boolell, who is also deputy prime minister and minister of external affairs and emigration, said that China, as a country with a population of one billion, has a daunting task ahead of it in the process of construction.

But, he held that China is marching on the right road to prosperity.

Boolell, who visited China in 1981, is here to acquaint himself with China's progress and experiences in economic construction.

### East Europe

#### GDR's Axen Continues Official Visit in Beijing

##### Toasted by Qiao Shi

AU070907 East Berlin NEUES DEUTSCHLAND  
in German 5 Apr 88 p 5

[Report on toast by Qiao Shi, member of the Standing Committee of the Politburo and secretary of the CPC Central Committee, at a dinner given for Hermann Axen, member of the Socialist Unity Party of Germany (SED) Central Committee Politburo and secretary of the SED Central Committee, in Beijing on 4 April: "Our Two Countries Love and Need Peace; Qiao Shi Stressed the Joint Militant Targets"]

[Text] In his toast Qiao Shi expressed the conviction that the visit will contribute to further developing the fraternal relations and cooperation between our two parties. There is a long and traditional friendship between our two parties, states, and peoples, he said. In the many years of struggle against imperialism and fascism our two peoples have always sympathized with each other and given each other mutual support.

Comrade Erich Honecker's visit to China in 1986 and Comrade Zhao Ziyang's visit to the GDR in 1987 show that the friendly relations and the cooperation between our two parties, states, and peoples have passed into a new stage of the overall development. The friendship is developing on the basis of preserving peace in the world and building socialism.

Qiao Shi stressed that since the seventies the SED, under the leadership of the Central Committee headed by Erich Honecker, has consistently implemented the course of the unity of economic and social policy, so that the GDR has been able to guarantee the continuous and stable growth of its national economy under complicated external conditions. The GDR occupies a firm position among the nations of the world as a modern socialist industrial country with a highly developed agriculture. The Chinese people pay close attention to the building of socialism in the GDR and they are sincerely pleased about the successes that have been achieved in the development of socialism.

The Chinese politician outlined the experiences that the party has gathered in the past 9 decades and reported on the priorities set by the 13th congress. The congress worked out our basic party line, established the fundamental guidelines for economic construction, for the reform of the economic system and the political structure in the time to come, and decided the principles of strengthening the party structure in the course of the



implementation of the reform and the policy of opening up. Our party and all the Chinese people are striving for the fulfillment of the honorable tasks set by the 13th congress, Qiao Shi stressed.

Although the situation and the national conditions in China and the GDR are different, our two states stick to the principle of linking Marxism with the practice of one's own country under the new historical conditions, are achieving creative work, and are permanently enriching the treasury of Marxism by new experiences.

Our two states love peace and need a peaceful and secure international environment. We Chinese Communists highly appreciate the untiring efforts and active contribution of the SED and Comrade Erich Honecker to preserving peace and easing international tensions. The Chinese people need peace to implement the goals they have set.

China will continue to consistently pursue an independent, autonomous, and peaceful foreign policy. It is firmly determined to make efforts together with the peoples of the whole world and to struggle without tiring to prevent war and preserve peace in the world, Qiao Shi underlined.

#### **Toasts Qiao Shi**

*AU061925 East Berlin NEUES DEUTSCHLAND  
in German 5 Apr 88 p 5*

[Report on toast by Hermann Axen at dinner given in his honor in Beijing on 4 April by Qiao Shi: "Solid Basis for Strengthened Cooperation"]

[Text] In his response [to the toast by Qiao Shi] Hermann Axen paid tribute to the revolutionary and humanist traditions, the Chinese people's great contribution to world civilization and world culture in the past and present. The German Communists have followed with great attention, active participation, and solidarity the struggle of the Chinese brothers-in-class for national independence and sovereignty, revolutionary changes, and the construction of a new social system, of socialism, under the leadership of their battle-tested and experienced communist party, he pointed out.

Before our socialist states, which are closely linked by the common goal to safeguard peace and to successfully build socialism, were founded in the same year, the CPC, KPD [Communist Party of Germany], and the SED, through friendly cooperation and solidarity aimed at the realization of the ideals of the German and Chinese workers class, have created firm and solid foundations for present-day cooperation between our parties, states, and peoples. A new chapter has been opened in the development of these traditional relations of friendship through the visit by Comrade Erich Honecker to China in 1986 and the visit by Zhao Ziyang to the GDR in 1987.

Hermann Axen emphasized that the result-bearing cooperation between the two parties, which is aimed at strengthening socialist positions and which grew out of the traditions of solidarity and support at the time of the Long March and during the revolutionary upswing, continues to deepen in socialist construction.

It fills us with satisfaction that the relations between the SED and CPC are increasingly developing into overall relations that are gaining breadth and depth. On the basis of our Marxist-Leninist view and in keeping with the principles of equality, independence, sovereignty, the responsibility of our parties toward their own and toward other peoples, these relations offer the opportunity and possibility to conduct an exchange of views and experiences on all questions concerning all communists.

The SED considers the further construction of socialism a steady process of creative search for the better ways of resolving new tasks and problems. The SED shares the Chinese comrades' view that every country must react on a timely basis and in a flexible manner, and in accordance with the concrete national and international conditions, to new challenges.

In this, we naturally take into consideration and utilize the experiences other socialist states have made in rebuilding their countries, without copying them, the speaker pointed out. Concrete questions, new problems, and challenges must always be thoroughly analyzed and examined, decisions must be taken and changes must be brought about in order to meet the people's demands regarding socialism.

The working people's achievements in implementing the resolutions of the 11th SED Congress are impressive, Hermann Axen stressed. During the talks he noted that both parties start from the assumption that socialist construction can only be carried out successfully in peace. He assured that the GDR will continue to do everything possible to form a worldwide coalition of reason and realism. It will work toward this aim in close alliance with the Warsaw Pact countries and it greatly appreciates the cooperation with China and all socialist states, which is steadily strengthening.

#### **Meets With Peng Zhen**

*OW061529 Beijing XINHUA in English 1459 GMT  
6 Apr 88*

[Text] Beijing, April 6 (XINHUA)—Peng Zhen, chairman of the Standing Committee of the National People's Congress, met Hermann Axen, member of the Political Bureau of the Socialist Unity Party of Germany (SUPG) and secretary of the SUPG Central Committee here this afternoon.

Extending a warm welcome to Axen and the other members of the SUPG Central Committee delegation, Peng said, "in the protracted revolutionary struggle in the

past, China obtained support from the German working class. In the course of socialist construction, the two countries will learn from and support each other."

Peng and Axen first met 28 years ago. They talked about great changes which have taken place in the socialist construction of the two countries since then.

"Almost all communist parties in the world," Peng said, "hold that every party should handle its own internal affairs independently and be responsible for its people.

"All parties should respect and trust each other and conduct their mutual contacts on the basis of independence and equality," Peng said.

Peng expressed the hope that all people in the world would further unite to prevent war and safeguard world peace.

"The two parties," Axen said, "have gone on a long march and encountered ups and downs. Both of us have learned a great deal and made progress.

"We are very happy about the progress which the Communist Party of China has made. We regard it as a great thing to have such good relations."

Axen said that his country and people will march on the road to safeguard peace and build socialism along with China and the Chinese people.

#### **Lectures at CPC College**

*LD061751 East Berlin ADN International Service  
in German 1527 GMT 6 Apr 88*

[Text] Beijing, 6 Apr (ADN)—Hermann Axen, member of the Politburo and secretary of the SED Central Committee, has called the visit to the PRC by the delegation he is heading a practical contribution to the purposeful development of relations between the SED and the CPC, as agreed by General Secretaries Erich Honecker and Zhao Ziyang. In a lecture on Wednesday at the CPC college, he stressed that both peoples have irrevocably chosen socialism. This was the result of the creative work of the SED and the CPC.

Hermann Axen then described the revolutionary path of the German working class, which, after the liberation by the Soviet Union and the other forces of the anti-Hitler coalition, had led via the creation of unity among the working class in one part of Germany to the creation of the workers' and peasants state. Here the meaning of socialism is being realized. The SED had made the linking of dynamic economic development and planned raising of the level of material and cultural life the very core of its work.

However, at no time had the strategic concept of the SED been regarded as concluded, Axen stressed. Rather, his party takes the view that this is a process of far-reaching political, social, and intellectual-cultural change. This requires that new answers be found to the questions put by life, in line with national and international conditions. The speaker went into some detail on issues relating to intensification, the closer integration of science and production, and the development of socialist democracy in the GDR.

Foreign policy, he went on, which must create favorable conditions for further shaping development in socialist society, puts itself at the service of the securing of peace, of developing relations with socialist countries, of supporting peoples fighting for their national and social liberation, and for the shaping of relations of peaceful coexistence with capitalist countries. In a complicated period of nuclear arms buildup, the GDR had done its part to make peace more secure under the motto: "Now Most of All We Must Fight for Peace" through a constructive policy of dialogue and cooperation, through the development of a worldwide coalition of reason and realism.

The GDR had made its active contribution to the creation of the Soviet-U.S. agreement on the removal of intermediate-range nuclear missiles. It advocates a treaty to reduce strategic nuclear arms by 50 percent, in observance of the ABM Treaty.

Loud applause was given to Hermann Axen's concluding remarks on the great traditions of cooperation between the SED and the CPC. "Today" the speaker stressed, "in the age of socialism our relations have great prospects, and we are pleased that they are developing so actively, multifariously, and fruitfully."



**Presidium Adopts Namelists for State Leaders**  
*OW070926 Beijing XINHUA in English 0909 GMT*  
7 Apr 88

[Text] Beijing, April 7 (XINHUA)—Namelists of official candidates for state leaders were adopted at the fifth meeting of the Presidium of the First Session of the Seventh National People's Congress here today, and will be submitted to the session for election.

The lists contain candidates for the state president and vice-president, chairman, vice-chairmen, secretary-general and members of the NPC Standing Committee, chairman of the Central Military Commission, president of the Supreme People's Court and procurator-general of the Supreme People's Procuratorate.

The draft namelists for these candidates were approved at the fourth meeting of the Presidium April 5, and affirmed by NPC deputies following deliberations and discussions.

Peng Chong and Song Ping, executive chairmen of the Presidium, made explanations on the lists in view of the opinions aired by some deputies.

A draft namelist of 31 scrutineers selected by various NPC delegations was also approved at today's meeting. Gu Erxiong, mayor of Qinhuangdao City, Hebei Province, and Dai Baoxing, mayor of Xuchang City, Henan Province, will serve as general scrutineers.

The proposal for restructuring the State Council will be submitted to the plenary meeting of April 9 for deliberation.

**Deputies Prepare To Vote**

*OW061424 Beijing XINHUA in English 1108 GMT*  
6 Apr 88

[Text] Beijing, April 6 (XINHUA)—Deputies to the current Seventh National People's Congress (NPC) gave different reasons for what guides their votes in the upcoming NPC election of state leaders when approached by an "ECONOMIC DAILY" reporter.

A farmer deputy said he will vote for all the candidates recommended by the Central Committee of the Communist Party of China (CPC), adding, "I'll do what the party Central Committee asks me to because it is due to the wise leadership of the party Central Committee that we have scored great achievements."

A bus driver said whoever is able to run the country well and improve people's living standards, will get his vote. "I'll give affirmative votes to all candidates. I have no reason to vote against any of them although he or she may not be to me," [as received] he said.

However, a teacher who has returned from overseas said he will cast his vote according to his own will because he sees the right to vote something sacred as entrusted by the people.

"In fact, it's very hard to vote according to one's own will because I know little about the candidates," the teacher said, adding that more detailed reference should be given about the candidates and meetings be arranged for candidates to speak to the voters.

**TA KUNG PAO Views Competitive Elections**  
*HK071041 Hong Kong TA KUNG PAO in English*  
7-13 Apr 88 p 2

["The Past Week" column]

[Text] After six days of rather tense debate at full sessions and panel discussions, the rules for elections in the National People's Congress were adopted over the weekend. As originally planned, all laureates of top posts in the country's highest legislative body as well as the Chinese Government will definitely be in place by this time next week and, hopefully, also the two extremely important legislations governing Sino-foreign cooperative ventures (not to be confused with joint equity ventures) and state enterprises. With the director-responsibility system at its core, the latter is the legal instrument that separates the state ownership of the enterprise and its management rights. The separation is crucial to protecting the enterprise from party and government interference if not indeed total control.

It is noteworthy that the rules governing elections in the NPC were revised three times before they were finally adopted. Although no substantial amendments were made, the unprecedented media coverage of the discussions and debates was a glaring indication that significant progress was made in increasing the 'transparency' of the political underpinnings. There is no doubt that the election of the new term of the NPC and, by extension, the Chinese Government, was a test of the current political reform.

The increased transparency revealed at least to lay China watchers that there are, in fact, two kinds of elections in the country: competitive and noncompetitive ones. In the latter case, only one candidate is nominated for each post. He is elected if he has the support of more than 50 percent of the votes. A second person is nominated if the first candidate fails.

Given the present political conditions in China, the noncompetitive method is used for electing the 20 top-most jobs of the state. These include the president, vice-president, chairman of the Central Military Commission, chairman of the NPC Standing Committee, its secretary general, president of the Supreme People's Court, and chief procurator of the Supreme People's Procuratorate.

This means that the competitive method is used only for electing 135 members on the NPC Standing Committee and, of course, the close to 3,000 deputies attending the current 7th NPC.

Thus, it is apparent that as the posts move up the ladder of venerability as well as authority in the NPC, the more is the voting restricted by noncompetitive elections. The restrictions are also reflected in the election of the NPC Standing Committee which is supposed to be largely competitive. But as things stand, the 135 competitive seats are selected from a total of 144 candidates. This leaves a small margin of only 9 extra persons to choose from.

Addressing this problem, secretary general of the ongoing NPC, Mr Peng Chong, told a meeting of the Presidium on 1st April that while genuine competitive elections are necessary and inevitable, 'the democratization of elections in China must proceed step by step'. He went on to point out the fact that competitive elections, however limited, were introduced at all in the election of the NPC's present Standing Committee was a sign of progress in comparison with previous sessions of the NPC.

Peng also spoke of the 'actual conditions' which made giving a large scope to competitive elections in the Standing Committee extremely difficult, and the 'present realities' which make the selection of the top 20 by noncompetitive elections the best option.

It should never be forgotten that the greatest political reality in China today is still the leadership of the CCP which, after the bitter lesson of the Cultural Revolution, is earnestly endeavouring to forge cooperation with the democratic parties and the intelligentsia in a united effort to modernize the country.

As the ruling party, the CCP naturally attaches the greatest importance to who will be elected or appointed to the top posts in the NPC and the Chinese Government. Hence the candidates for these posts were carefully considered at the 13th National Congress of the CCP last November. But proceeding from its desire to strengthen the multi-party cooperation, the CCP had consulted the democratic parties on the names it intended to propose for the top jobs. In the final analysis, it is probably this unique method of democratic consultation that not only makes it possible to narrow differences of opinions before the NPC was convened, but also the viability of the conspicuous element of non-competitive elections in the present rules of the NPC's electoral system.

Be this as it may, it would be wrong to suppose that democratic consultation can take the place of the ballot. We are confident that as the process of democratization takes hold 'step by step', the areas of noncompetitive

election will diminish and give way to more mature forms of democratic elections in China. But this takes time as it involves amending the present Chinese Constitution.

A visible sign of these 'step by step' changes can be seen from the latest law governing the election of leading personnel at the provincial, municipal and county levels. This law was promulgated by the NPC Standing Committee in December 1986. Article 20 of this law stipulates that candidates for the governors, mayors, magistrates, etc. can be nominated either by the presidium of a local people's congress or by the joint recommendation of ten people's deputies. Moreover, it stipulates that all leading personnel are selected by competitive elections.

There is, of course, a vast difference between the provincial and national people's congresses. Issues of much greater moment and import are handled by the NPC. Still, judging from the unprecedented outspokenness of the deputies and the prevailing democratic spirit at the ongoing NPC, one is tempted to believe that it will not be long before the NPC's election rules are improved again.

CCP General Secretary Zhao Ziyang noted in his keynote address to the 13th CPC Congress that voters should be provided with 'room' to make a choice.

As for gains of the current session, credit is certainly due to Hong Kong deputies for winning the right to abstain, and to Taiwan deputies for ensuring the confidentiality of the secret ballots.

#### **NPC Urged To Act on Deputies' Proposals** *OW070311 Beijing XINHUA in English 1037 GMT* 6 Apr 88

[Text] Beijing, April 6 (XINHUA)—A scientist from the Chinese Academy of Geological Sciences called on China's National People's Congress (NPC) to act on the good proposals of its deputies, according to today's "BEIJING DAILY".

Xu Yuemei from the academy's Institute of Geomechanics told the newspaper that the NPC deputies and members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) have been very outspoken in expressing views and suggestions at the current sessions of the NPC and the CPPCC National Committee.

"I hope the good proposals raised by the deputies and the CPPCC National Committee members will be carried out one by one, so that the deputies would not have talked in vain," he added.

A girl shop assistant expressed satisfaction with the news coverage of the NPC and CPPCC National Committee sessions, saying that people now have a better idea of what the deputies think about many important issues.



A government employee, who declined to give his name, suggested that the number of deputies who are over eighty should be cut down because their age may prevent them from performing their duties.

"As for members of the CPPCC National Committee, it is another matter. They can be a little older," he said.

Two officials from the Ministry of Finance told the "ECONOMIC DAILY" that the NPC deputies should put forward suggestions besides airing their views. The important thing is to find ways and means to solve the knotty problems, they stressed.

A man named Wang from the export commodity base construction corporation suggested that the NPC Standing Committee establish a prices supervision commission to help curb price hikes and overcharging.

Liao Min from the Ocean Shipping Bureau of Guangzhou cabled the newspaper, saying that his bureau urgently needs funds to repair and replace its 100-plus oil tankers. He called on the NPC to adopt resolutions to cut down import of consumer goods and construction of office buildings, guesthouses and auditoriums so that more money can be used to develop transportation.

**Newspaper Carries More Comments on NPC Session**  
*OW062341 Beijing XINHUA in English 0943 GMT*  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—The "ECONOMIC DAILY" newspaper today carried more comments on the current sessions of China's National People's Congress (NPC) and the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Six NPC deputies phoned to say that the leading officials of all ministries and commissions under the State Council should sit in the deputies' group discussions to listen to their opinions.

The ministers have no excuse not to do so because they were approved by people's deputies and should be responsible for them, they said.

Liao Ping, a member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference, called to say that the deputies should carefully discuss the enterprise law to improve it.

Liao said that the government must work out clear regulations to control overspending in capital construction investment and consumption.

People from a section of the central radio station phoned to inform the newspaper that the station had received a lot of letters from girl college students complaining about possible difficulty in finding jobs upon graduation.

Students said that their applications for jobs in enterprises were often turned down. "The government is responsible for social issues like this one and the women NPC deputies and CPPCC members should also speak for them," the students were quoted as saying.

A journalist who declined to reveal his name called the paper and said that he did not agree with a deputy from Shaanxi Province who said that "the most reliable guarantee for an honest government is the Yanan spirit."

Yanan was the seat of the Communist Party Central Committee during the War Against Japanese Aggression.

The journalist said that the revolutionary spirit of plain living is not enough. Good conduct must be guaranteed by law and an appropriately higher income for public servants, the journalist said.

### Deputies Continue To Meet, Discuss Issues

**Ulanhu Joins Nei Monggol Discussion**  
*OW061805 Beijing XINHUA in English 1438 GMT*  
6 Apr 88

[Text] Beijing, April 6 (XINHUA)—China's Vice-President Ulanhu joined deputies from Inner Mongolia to the current session of the National People's Congress (NPC) here today in discussing how to develop the economy and other undertakings in Inner Mongolia.

The region must try to produce enough grain for local consumption in three to five years, said Batubagen, chairman of the Standing Committee of the People's Congress of the Inner Mongolia Autonomous Region.

Ulanhu agreed with the idea and suggested that the region focus on developing grain production on its plains.

When the region achieves this target, Ulanhu said, it can use its foreign exchange to import advanced technology and equipment instead of grain.

The low productive forces and low scientific and educational level is the major cause of the backwardness in the region, the vice-president pointed out.

He stressed that the regional government must strive for higher scientific and educational standards in developing local economy. It must pursue an open policy and expand its border trade, he said.

When told that domestic animals in stock have exceeded 40,000 in Inner Mongolia, Ulanhu said that the region must develop an economy according to local conditions. Animal husbandry can generate great economic returns, he said.



In discussing how to raise per capita income in the region, Ulanhu, a Mongolian himself, said that "Inner Mongolia should make full use of its rich resources, especially wool and cashmere."

#### **Discuss Gambling in Tianjin**

OW060815 Beijing XINHUA in English 1550 GMT  
6 Apr 88

[Text] Beijing, April 5 (XINHUA)—Tianjin, a major North China port city, has recently dealt with more than 30,000 gamblers, said Niu Ziwen, a deputy to the current session of the National People's Congress (NPC).

In an anti-gambling campaign in the city last month, more than 19,000 gamblers who confessed to the police were dealt with leniently and up to 1,000 gambling grounds were shut down, according to the deputy, who is a member of the city's armed police.

"Gambling has been adversely affecting Tianjin and is responsible for 25 percent of the local criminal cases," Niu said at a group discussion here this morning.

Wei Li, another deputy and a middle school headmaster, said that to forbid gambling is not enough. More public utilities for entertainment must be built to enrich people's life, Wei said.

Liu Hangying, another deputy, seconded the headmaster to say that "people's living conditions are better now but their cultural life still needs improving."

There are not many public places to go to for entertainment in the evening, nor is there much to watch on television," she complained.

#### **Demand Better Monetary Control**

OW060845 Beijing XINHUA in English 1223 GMT  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—Forty-two deputies to the current Seventh National People's Congress (NPC) have submitted a motion demanding the formation of a monetary commission under the NPC Standing Committee.

Liu Shibai, NPC deputy and president of the Southwest University of Finance and Economics, said he joined the other deputies in tabling this motion for the purpose that the Standing Committee can strengthen its supervision over currency issuance and improve the function of financial policies in macro-economic adjustment and control.

He drew attention to the fact that as a new financial system is replacing the old, the People's Bank has no independent power in controlling the currency issuance.

Whenever the central financial authority found it difficult to balance the budget, it would overdraw from the bank. Consequently, the bank had to issue more banknotes.

The proposed monetary commission under the Standing Committee will strengthen the NPC's supervision over currency issuance and credit management of the People's Bank, Liu said.

The government should obtain the approval of the NPC before it overdraws from the central bank to balance the budget or to make up for deficit, he added.

#### **Hebei Deputy on Enterprise Law**

OW060901 Beijing XINHUA in English 1453 GMT  
4 Apr 88

[Text] Beijing, April 4 (XINHUA)—Entrepreneur Lang Baoxiang from North China's Hebei Province said here today the draft law on industrial enterprises owned by the whole people must affirm the status of industrial groups.

Lang, general manager of the China Honey Electronics United Corporation composed of 115 enterprises in 15 provinces, said, "If the draft law is adopted without any revision, there will be no legal status for my corporation."

His corporation recently opened a branch company in London, the first set up abroad by a Chinese electronics enterprise.

Lang made the remarks at a panel discussion of the Seventh National People's Congress on the draft enterprises law, one of the hot topics at the current session.

He also argued that deputy directors in a factory should be appointed or removed by the factory director.

This will ensure a united and competent leadership in the enterprise, which is vital to the success or failure of the enterprise, he explained.

The draft law stipulates that the factory director can only "propose to the competent department of the government the appointment or removal of leading administrative cadres at the level of a deputy factory director."

Lang held that with the development of the commodity economy, it is inevitable for single enterprises to be merged into jointly operated ones.

The draft law poses a problem when it stipulates that "with respect to the system of leadership in jointly operated, large-scale associated enterprises ...The relevant provisions of the State Council shall be implemented," because the State Council's provisions are not laws.

Lang continued that at a time when the old economic system is replacing the old, an enterprises law should facilitate the establishment of the new while hastening the end of the old.

In this sense, he said, the draft enterprises law falls behind the pace of the reform and fails to meet the need of the development of the commodity economy.

However, Lang believed that the draft law will help push forward the reform and stimulate economic development since it affirms the factory director's pivotal role as the legal representative of the factory and clearly defines the relationship among the director, the Communist Party organization, the trade union and the Communist Youth League Organization.

**Shaanxi Deputies on Yanan Spirit**  
*OW060915 Beijing XINHUA Domestic Service*  
*in Chinese 1608 GMT 31 Mar 88*

[By Central People's Broadcasting Station reporter Pan Mengyang and XINHUA reporter Zhang Jinsheng]

[Text] Beijing, 31 Mar (XINHUA)—We must continue to carry forward the "Yanan Spirit" under the new situation of reform and opening to the outside world in order to insure honesty in performing official duties and promote national prosperity. Although this is nothing new, deputies from Shaanxi Province attending the current NPC session still consider it as a "central topic" today.

The NPC panel discussion was held at the Shaanxi Room of the Great Hall of the People. Deputy Xi Zhongxun, who is "an old resident of Yanan" and fought in northern Shaanxi years ago, spoke about "things of northern Shaanxi" right from the beginning. He said: I must reiterate the need to carry forward the "Yanan spirit." What is "Yanan spirit?" It means hard struggle, self reliance, working in a solid manner, overcoming difficulties to make progress, serving the people as their public servants and avoiding corruption in performing official duties. Now we are promoting reform and the open policy in order to develop the economy, but without such a spirit we cannot whip up the enthusiasm of the masses.

NPC Deputy Wang Jucai, who was born in Yanan when the "Yanan spirit" was being established, is now the commissioner of the Yanan Prefectural Administration. At this point, he chimed in and said: Now we must also advocate and carry forward the "Yanan spirit." We have established a "Yanan Spirit Research Society," which has more than 3,000 members throughout the country and has drawn the attention of people at home and abroad. We are studying the application of the "Yanan spirit" in the new era and how to continuously carry forward the spirit.

Xi Zhongxun said: "Leading cadres at various levels must not divorce themselves from the masses but should identify themselves with them, sharing their comforts and hardships." He said: This is a very important point of the "Yanan spirit." We have now developed the economy but some of our leading cadres have started to become wasteful, spend a lot of money for food and drink, go in for ostentation and extravagance, even embezzle public funds and take bribes. This is a very bad style. During the Yanan period we were faced with all kinds of difficulties. How can we have today's good life if we didn't display such spirit at that time? With a good life we must all be more honest in performing our official duties, practice economy in doing things, foster a good political style, and never divorce ourselves from the masses.

Finance Minister Wang Bingqian, who came to hear deputies' opinions, fully agreed with the deputies' appeal for fostering a "political style free from corruption." He said: In agricultural production, we talk about soil erosion. In financial matters, we now also have the problem of "soil erosion." Leading cadres in some localities and departments have violated financial discipline, given frequent banquets, and become extravagant and wasteful. Public funds have been stolen by some individuals. We must stop such leaks. If we can vigorously promote the "Yanan spirit," economic and other work can be developed in a faster manner.

Following the panel discussion, we asked Wang Jucai to talk about the current meaning of carrying forward the "Yanan spirit." He introduced the great changes happening in Yanan Prefecture in recent years. During the old Yanan period, cadres were "public servants instead of officials." However, in preceding years, some cadres in Yanan have begun to seek personal gains by taking advantage of their power and have forsaken the honorable tradition of the "Yanan spirit." As a result, the relations between cadres and masses are not as smooth as before. Since 1985, the party and government of the prefecture have vigorously advocated and promoted the "Yanan spirit" and stopped the evil practices of some cadres. This has encouraged the masses and whipped up their enthusiasm in carrying out reform, opening to the outside world and developing production. As a result, the average per capita net income in 1987 increased by more than 200 percent as compared with 1978, despite the fact that serious natural disasters hit the prefecture last year.

Hou Zongbin, who is governor of Shaanxi Province and also a deputy to the NPC, told us that Shaanxi Province would formulate effective measures to conduct reeducation on the "Yanan spirit" for cadres throughout the province. They will use the "Yanan spirit" to eliminate wasteful habits and foster an "honest style in performing official duties" in order to make constant progress on the advancing road.



**Urge Judicial Support to Media**  
*OW060927 Beijing XINHUA in English 1527 GMT  
6 Apr 88*

[Text] Beijing, April 4 (XINHUA)—Some deputies to the National People's Congress today called on China's judicial departments to support the mass media in exercising supervision over party and government work. They agreed that as China's legal system is still incomplete, it is impossible for newspapers, radio and television stations to supervise party and government work without the support of the judicial departments.

In a panel discussion today, Xiong Fu, former editor-in-chief of the "RED FLAG" journal of the Chinese Communist Party Central Committee, said that the mass media has an important role to play in supervising party and government work while China is perfecting its legal system.

He said that quite a few people who have violated law and discipline are very afraid of having their names published in a newspaper or faces shown on the television screen.

However, he said, the mass media are not very well protected in exposing the vice of the society.

Ma Shitu, a noted writer, cut in to say that in covering the forest fire in Heilongjiang Province, journalists showed much courage in exposing bureaucracy. Trying to stop truthful coverage, local officials smashed photographers' cameras and drove journalists away. This was an encroachment on the role of the mass media for supervision.

Xiong went on to say that the socialist mass media cannot shy away from problems and plump achievements. Otherwise, people will not believe in them. Once a misdeed is exposed, the mass media have to continue to write follow-up reports to tell the people how the misdeed has been handled. The judicial departments should help in this regard.

Ma recalled that in the 1950s, China's social conduct was very good. The Chinese Communist Party executed Zhang Qingshan and Liu Zhishan, two of its veteran members, for embezzling public money as a warning to others. But now some people have forgotten all about it.

Kang Zhenhuang, a Standing Committee member of the China Democratic League Central Committee, said that without the support of the judicial department and the leading authority, the mass media can do nothing about misdeeds even if they are exposed.

Ma urged for working out a press law as soon as possible to protect the rights of journalists.

Yang Chao, former chairman of the Sichuan Provincial CPPCC Committee, said: "The government, the judicial department and the mass media should cooperate with one another to help bring about a fundamental change in China's social conduct, get rid of bureaucracy and crack down on criminal offenders."

**Stress Development in Minority Areas**  
*OW071101 Beijing XINHUA Domestic Service  
in Chinese 1148 GMT 6 Apr 88*

[By reporters Ge Lai, Zhang Jinsheng, and Lu Xiaohua]

[Excerpts] Beijing, 6 Apr (XINHUA) — How to accelerate the economic development of areas inhabited by minority nationalities and frontier areas so that they can catch up with the eastern regions? This is a subject about which deputies from those areas to the First Session of the Seventh NPC are most concerned. Many deputies suggested that, in making laws and formulating policies, the state should take into consideration the special traits of frontier areas and areas inhabited by minority nationalities and avoid seeking rigid uniformity. Doje Cering, NPC deputy and chairman of the Tibet Autonomous Regional People's Government, said: With the strengthening of reform, many new situations have arisen in areas inhabited by minority nationalities. In many instances, when the state "gave the green light," we were unable to take advantage of these new situations. By the time we understood what it was, the light had already turned red. Tibet should change its present situation through reform, but it needs time. [passage omitted]

Coastal regions are the "head of the dragon" and frontier areas and areas inhabited by minority nationalities are its "tail." When the "head" moves, the "tail" must sway accordingly. This is the way some deputies describe the opportunity facing them. How should the "tail" sway? Deputies from Yunnan and Xinjiang proposed "east-west dialogue" and the development of close lateral cooperation with the coastal provinces. Huang Baozhang, deputy from Xinjiang, held that the resource-rich Xinjiang Autonomous Region can supply raw materials and semifinished products to or enter into joint ventures with the coastal provinces. Such cooperation could save the coastal provinces foreign exchange for procuring raw materials from abroad and give a boost Xinjiang's economic development. Yunnan Governor He Zhiqiang proposed this policy: "Cooperating with the eastern coastal regions to make up for their deficiencies and advancing westward to Southeast Asia to take part in the economic cycle," thus putting Yunnan in a good position to take on the challenges of the times.

The deputies also discussed their strong points. After analysis, they noted that most areas inhabited by minority nationalities are rich in resources. They should utilize their resources in a better way and develop their own processing industries. These areas also have long borders or are contiguous to foreign nations. The deputies suggested that border trade be expanded into foreign trade



with the neighboring nations. Xinjiang Deputy Huang Baozhang noted that Xinjiang borders on with five nations including the Soviet Union and Pakistan and is adjacent to many Muslim nations in West Asia. There are great prospects for introducing advanced technology, processing the bountiful local resources, and exporting the finished products.

#### **He Kang Visits Hubei Delegates**

*HK071401 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 6 Apr 88*

[Excerpts] He Kang, minister of agriculture, animal husbandry, and fishery, yesterday morning visited the Hubei delegation to the NPC in Beijing and held a dialogue on agricultural issues with some Hubei deputies to the NPC. [passage omitted]

He Kang said: It is true that in the past, we did make two over estimations. First, we overestimated the production situation of grain and cotton. Second, we overestimated the peasants' incomes. As a result, we violated the law of value in directing agricultural production. The central authorities have already attached importance to this issue.

How are we to deepen the second-stage rural reforms? This was the major subject of the dialogue. [passage omitted]

He Kang said: It seems to me that we should make great efforts to deepen the second-stage rural reforms in three aspects.

First, we should further perfect the system of contracted responsibilities on the household basis with remuneration linked to output.

Second, we should properly regulate the price parities between grain and cash crops as well the price parities between agricultural, sideline products, and industrial products.

Third, we should readjust production setups. Through the readjustment of production setups, we should stabilize the acreage under grain and develop those breeding industries that consume less grain.

Several deputies, including Tianmen City Mayor (Wu Jiayou), demanded that the state increase agricultural input.

He Kang said: This is truly a major urgent issue that must be resolved. The draft constitution contains two new points, namely, the right to use land, and the legal transfer of land. These new points are aimed at guiding the peasants to increase their land input. The central

authorities have also attached major importance to production materials. Take chemical fertilizer, for example. This year's planned supply of chemical fertilizers will be 100 million tons, an increase of about 20 percent compared with last year.

#### **CPPCC Members Make Economic Strategy Proposals OW070419 Beijing XINHUA in English 1335 GMT 6 Apr 88**

[Text] Beijing, April 6 (XINHUA)—Members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) have put forward many proposals centering on the strategy for China's economic development.

Ma Pingfang, an Executive Committee member of the All-China Federation of Industry and Commerce, proposed dividing China into several major economic zones.

In his proposal, he called for testing diverse economic models in these zones and spreading the best nationwide.

Ma also stressed the need to choose leading officials with ability, political integrity and a pioneering spirit.

"We must take the development of social productive forces as the sole criterion for assessing all kinds of work," he noted.

His proposal will be submitted soon to the State Commission for Restructuring the Economy for consideration.

Su Yingheng and Wu Fuheng, vice-chairmen of the CPPCC Shandong provincial committee, and five others have put forward a joint proposal on the development of the Yellow River Delta.

The key to developing the delta lies in harness the estuary of the Yellow River and stabilize its flowing channel to the sea, they said.

The river's bed on the lower reaches rises ten centimeters on average annually. As a result, the bed has become higher than the river's original banks, causing an increasingly greater danger to the surrounding areas, they pointed out.

Water conservancy experts predicted that should the Yellow River breach its dikes between the Henan provincial capital of Zhengzhou and Shandong provincial capital of Jinan, 33,000 square kilometers of land would be flooded and 18 million people would be seriously affected.

They proposed that the state give top priority to harnessing the estuary of the Yellow River, draw up a harnessing plan and formulate measures to implement the plan.

Their proposal will be submitted to the Ministry of Water Resources and Electric Power for consideration.

Jiang Xi, former vice-minister of commerce, proposed instituting a system of reserves for major commodities to enable state-run stores to play their role in stabilizing prices.

The commodities include grain, edible oil, cotton, cotton cloth, refined sugar, pork, chemical fertilizers and pesticides, according to him.

His proposal will be submitted to the Ministry of Commerce.

Tsui Sze Man and Ng Tor-tai, members of the CPPCC National Committee from Hong Kong, put forward a joint proposal on alleviating energy shortages in China.

They proposed setting up an expert committee to study and work out a plan for the building of a nationwide power grid.

Their proposal stresses the necessity to make full use of all natural energy resources, including nuclear energy, petroleum, hydropower resources, wind power, solar energy and geothermal energy.

Plans for utilization and development of these energy resources should be drawn up in line with local conditions, the proposal says.

**Beijing Campus Posters Criticize Zhao Ziyang**  
*HK071304 Hong Kong AFP in English 1258 GMT*  
*7 Apr 88*

[Text] Beijing, April 7 (AFP)—Student posters seen at Beijing University Thursday for the first time mocked and criticised communist party chief Zhao Ziyang.

They said he neglected intellectuals and had a misguided education policy.

Some of the large-character posters seen by this AGENCY FRANCE-PRESSE correspondent first appeared Tuesday, students said.

They plastered entire walls at the university and also lashed out at delegates to the current session of parliament, the National People's Congress (NPC), for allegedly ignoring problems facing education.

Crowds of students jostled with each other to catch a glimpse of the posters — a form of protest banned from university campuses since thousands of students took to the streets in December 1986 and January 1987 to demand greater freedom and democracy in China.

"Education is the crux of our four modernizations, but the only thing discussed this week at the parliament was price hikes and investments," said one of the posters.

It took the form of an open letter from 3,000 students to the parliament and the State Education Commission.

One poster ridiculed Mr. Zhao for his "stupid principle" of advocating that teachers supplement their meager incomes through "self-help" or second jobs.

Students said some of the posters were carried by dozens of graduate students on a sarcastic protest march Wednesday to Tian Anmen Square, the site of the parliamentary session, where the protestors would offer to shine the shoes of NPC delegates for two yuan (54 cents).

The posters also mocked the communist party's recent support for capitalist-style free enterprise, announcing that students had organised a "Self-Help Amusement Club" which would stage another shoe-shining operation Friday near the site of the parliament.

"We can't go on any longer, but we did our best to alleviate the country's burden by carrying out Mr. Zhao's enlightened policy of self-help production," a poster said.

The posters also called for an increase in state funds for education, an improvement in living standards and salaries for intellectuals and greater independent decision-making powers for universities.

Discontent over official policies on education is simmering on university campuses, said observers, who noted that a flurry of wall posters critical of Acting Premier Li Peng for his conservative education policies sprung up on two leading campuses last month. Mr. Li is widely seen by students as the driving force behind moves to step up ideological education and to restrict the numbers of students studying abroad, observers said.

#### **More Posters Appear**

*HK071014 Hong Kong HSIN WAN PAO in Chinese*  
*7 Mar 88 p 1*

[Dispatch by Reporter Liang Chia-chuan (2733 1367 2938): "More Big-Character Posters Appear at Beijing University"]

[Text] Beijing—At Beijing University today big-character posters continued to appear criticizing the government for neglecting educational work, and strongly condemning unhealthy tendencies in party style.

In the 2 weeks since Li Peng delivered his Government Work Report, Beijing University students have continued to put up big-character posters on the campus. The contents of these posters deal mostly with problems in education; however, the majority of them were torn down almost immediately after they were put up.



A new big-character poster of more than 1,000 characters was put up yesterday afternoon. Its wording was comparatively moderate, and it remained intact this morning. This big-character poster was signed by 10 postgraduates and entitled "An Open Letter to the Seventh NPC and CPPCC." It demanded: A large increase in educational expenditure; improvements in the treatment of teachers; respect for the objective law governing education; and gradually introduce greater independence and decisionmaking power for institutes of tertiary education. In addition, the 10 postgraduates required NPC deputies and CPPCC members "to formulate a feasible plan to submit to the State Council." By this afternoon more than 100 additional names had signed the big-character posters to show their support.

Meanwhile, another big-character poster was put up this morning entitled "In Support of Qian Jiaju [0578 1367 7467]." This big-character poster echoed CPPCC member Qian Jiaju's speech delivered a few days ago at a CPPCC meeting, in which Qian posed the problem of unhealthy tendencies in party style. The big-character poster acutely pointed out that the existing structure was precisely a hotbed for the growth of bureaucratism, and which must be corrected thoroughly so that the rule of man in China can be changed to the rule of law.

**Train Motorman Involved in Crash Said To Lie**  
*OW071015 Tokyo KYODO in English 1009 GMT*  
7 Apr 88

[Text] Shanghai, April 7 KYODO—An arrested Chinese motorman and his aide concocted a false story to escape responsibility for the March 24 collision between their train and an oncoming train near Shanghai, a Shanghai newspaper reported.

The collision claimed 28 lives — 26 Japanese students and one teacher of the Kochi Gakugei Senior High School in western Japan as well as a Chinese train operator.

THE LIBERATION DAILY in Shanghai reported that Zhou Xiaoniu, 45, motorman of the express train No. 311, and his detained mate Liu Guolong, 33, together made false allegations to authorities that the cause of the accident was a malfunctioning of brakes.

According to the report, Zhou tried to brake after his train passed through a red light signal. He immediately ordered Liu to jump down and warn the oncoming train No. 208 but by then it was too late.

The report said Zhou left the driver's seat immediately before the crash and hid himself at the back of locomotive. Shanghai transport authorities had reported that Zhou was in critical condition, but in fact he escaped injury, the paper reported.

After the accident, the motorman told his mate that he was likely to be jailed, and they collaborated in producing a false story, the Shanghai report said.

The report also said that nearby station workers and a train conductor, noticing the emergency, immediately tried to make radio contact with the driver and his aides but they received no reply from the locomotive.

The brakes of train No. 311 were found to be in normal working order before the train left a nearby station.

**Extent of Press Freedom, Credibility Viewed**  
*HK070936 Hong Kong AFP in English 0911 GMT*  
7 Apr 88

[by Pierre-Antoine Donnet]

[Text] Beijing, April 7 (AFP)—When CHINA YOUTH DAILY reporter Li Weizhong went to Heilongjiang to investigate the cause of the giant forest fire that blackened the northeastern province last year, he was whipped and put in detention.

Chinese journalists who dare to stray from the official line into real investigative writing have had more freedom since Mao Zedong died in 1976, but the atmosphere is far from any form of "glasnost", the new Soviet openness.

"I tried to explain that I was just doing my job and I showed them my press card, but that didn't help," Mr. Li told AGENCE FRANCE-PRESSE. "The district leader was very angry. They grabbed me around the throat and beat me."

He had gone to investigate China's worst fire since 1949, which left more than 200 dead and devastated a million hectares (2.47 million acres) of forest.

"I spent three days locked up in a room which had been totally blackened by the fire," Mr. Li, 31, said.

The Chinese press recently reported an incident in Wuwei, Gansu province, in which all copies of the local daily were confiscated on March 15 because it contained an article that was critical of the work of municipal authorities.

Infuriated by the criticism, the authorities forced the journalists to go to people's homes to retrieve copies. The daily was then forced to publish an announcement that readers were to burn all copies of that issue.

A law governing the press that would define and protect the rights of journalists has been under discussion for years. But working out the specifics appears to be a difficult task for the communist party, which has used the press purely as a means of communicating directives to the people.

The predictable result is that people no longer believe what is printed in their newspapers. A survey published by the official CHINA DAILY March 15 said 65 per cent of high-ranking officials believe the press is losing credibility.

Aware of the cumbersome legislative process, journalists are making their grievances known. Journalist delegates to the National People's Congress have asked at the current session for an urgent press law so journalists can fulfil their mandate of "exercising supervision over party and government work".

Many publications practise self-censorship in order to avoid being blasted by the authorities, informed sources said.

Efforts are being made towards greater frankness in reporting and reporters are taking more risks to achieve this now than in the past.

At the end of March, for example, Li Weizhong and his colleague Zhao Qi had no trouble convincing their editor-in-chief to run a front page story on how police tortured a suspect for hours with disco music playing in the background.

"This was leaked to us from the government," Mr. Li said. "When we went to (the central province of) Henan to investigate, the police and the local courts did not want us to write it. (But) everything turned out well in the end."

An independent press would not be tolerated throughout China, analysts said, but Beijing has said a free press will be authorised in the new Special Economic Zone of Hainan Island.

The Chinese press has recently heaped praise on the social and economic activities of capitalist countries, but it is still not possible openly to criticise the communist party in the official Chinese media, observers said.

**Committees for Retired Workers Recommended**  
OW070937 Beijing XINHUA in English 0258 GMT  
7 Apr 88

[Text] Beijing, April 7 (XINHUA)—The establishment of committees is the best way to look after and tap the potential of retired workers, according to an official from the All-China Federation of Trade Unions.

The official told the "WORKERS' DAILY" that committees for retired workers have been set up in Shanghai, Tianjin, Shenyang and Dalian, and are thriving.

These committees were set up jointly by the local trade union, financial, labor and personnel departments, as well as representatives of retired workers. Local trade unions are responsible for guiding the daily work of the committees.

The official said these committees can organize retired workers to start welfare services and serve themselves, thereby saving manpower and funds for the country.

At present, China has a total of 17 million retired workers.

**State Councillor Zhang Jingfu Visits Shaoguan**  
HK061048 Guangzhou Guangdong Provincial Service  
in Mandarin 1030 GMT 5 Apr 88

[Text] While making investigations and studies in Shaoguan City, State Councillor Zhang Jingfu noted: Those areas other than special economic zones and deltas must make still greater efforts to speed up the development of an export-oriented economy.

State Councillor Zhang Jingfu made investigations and studies in Shaoguan from 31 March to 2 April.

During his stay in Shaoguan, Comrade Zhang Jingfu inspected the Dayao Shan tunnel and the Lechang cotton mill. In addition, he went down to the Ruyuan autonomous county of Yao nationality and joined township, town, and village cadres in discussing ways to enable mountain areas to adapt themselves to the situation of reform and opening up and to speed up their work of eliminating poverty and achieving prosperity.

Referring to the development of an export-oriented economy, Comrade Zhang Jingfu said: It will not take a very long time for developed countries to readjust their industrial structures. Shaoguan should successfully seize this opportunity, make good use of the preferential policies adopted for Guangdong by the central authorities, speed up the development of an export-oriented economy, use as much foreign capital as possible to transform old enterprises and import advanced technologies and equipment, and establish more joint ventures, cooperative business operations, and enterprises with sole proprietorship.

**Visits Hubei Province**  
HK071115 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 31 Mar 88

[Text] From 29 to 30 March, Zhang Jingfu, state councillor and Standing Committee member of the Central Advisory Commission, visited our province and made an investigation and study of the contracted enterprise undertakings, the reform of the materials management system, and issues concerning foodstuffs in our province.

During the visit, Comrade Zhang Jingfu also had an informal discussion with Guan Guangfu, secretary of the provincial party committee; Guo Zhenqian, governor; Zhao Xinchu and Han Ningfu, members of the Central Advisory Commission; Xu Penghang, vice governor; and (Dong Shaojian), vice mayor of Wuhan City. In addition, Comrade Zhang Jingfu listened to reports delivered by responsible comrades from the relevant provincial



departments, the provincial chemical machinery plant, and the Wuhan (?Dai) steel plant on the growth and development of five enterprises.

After listening to a report on issues concerning contracted enterprise undertakings, Comrade Zhang Jingfu said: The orientation of contracting out enterprise undertakings is correct, and the work in this regard has great potential. We must study new problems in contracted work and constantly perfect contracted work. Both the starting point and the process of contracted work are aimed at igniting the vitality of enterprises. Our enterprises should regard contracted work as the pioneer in igniting their internal vitality and ensure that posts at all levels are linked together through the promotion of this vitality.

Turning to reform of the materials management system, Comrade Zhang Jingfu said: Enterprise reform requires the support provided by reform of the materials management system. Without the reform of the materials management system, it will be impossible to establish a production materials market. Reform of the materials management system is also connected with the change in government functions. Under the current development of a commodity economy in a planned way, the tasks set for materials management departments have become harder. In addition to successfully promoting channels for production materials circulation, our materials management departments must also establish multiform combines with production enterprises for the purpose of tapping new resources.

Referring to issues concerning foodstuffs, Comrade Zhang Jingfu stressed: We simply cannot relax all restrictions on the prices of popular vegetables of dependable quality. We must go in for growing vegetables in a planned way.

Comrade Zhang Jingfu added: It seems to me that in growing vegetables, we must pay equal attention to applying the law of value and to carrying out administrative intervention. In the face of the masses, we can justify the relaxation of price restrictions on fine and high-quality vegetables and the existence of relatively high prices for such vegetables. The masses object to the complete relaxation of price restrictions on popular vegetables of dependable quality and also object to the existence of excessively high prices for such vegetables. The masses have said: After appraising the situation on the basis of the prices of vegetables, we can see the importance of issues concerning vegetables.

Comrade Zhang Jingfu said: Leaders at all levels must devote a lot of time and energy to successfully resolving issues concerning vegetables. To resolve such issues successfully, we must first promote successfully the management of vegetable farms. In promoting the management of these farms, we must put the stress on stabilizing acreage sown with vegetables and resolutely impose fees for the use of vegetable plots. In addition, funds raised

through such fees must be spent as special-purpose funds. Vegetable production bases on the outskirts of cities must center on growing inexpensive vegetables. Popular vegetables of dependable quality should be grown in outer suburbs and should also be grown in a planned way. We should also properly expand our vegetable production scale. We will not be able to successfully promote vegetable production if we merely rely on the foundation of our present small-scale peasant economy.

Comrade Zhang Jingfu yesterday afternoon visited the (Dadongmeng) country market in Wuchang to make an on-the-spot investigation there.

**RENMIN RIBAO on Export of Labor**  
*OW070113 Beijing XINHUA in English 0740 GMT*  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—In spite of China's rapid progress in exporting labor service over the past 9 years, total manpower and contracts still lag behind some Asian countries, today's "PEOPLE'S DAILY" reported.

According to the commentary, Chinese workers now abroad are less than one-fifteenth those sent by Pakistan, while the volume of contracts lags far behind India and the Philippines.

Statistics show, China sealed 1,281 labor service contracts abroad worth 1.743 billion U.S. dollars last year, or an increase of 13.5 percent over 1986. As of the end of last year, the 60,400 Chinese workers who had been sent abroad on labor service projects had pulled in 1.1 billion U.S. dollars.

"The world is a big market for labor," the paper said, adding recent statistics show 30 percent of the labor force in Switzerland, 10 percent in Belgium, and 9 percent in France are from foreign countries.

Labor service contracts with foreign countries earn foreign currency and promote the exports of machinery, electrical appliances, and building materials, the paper said, and workers stationed abroad have access to advanced foreign technology and expertise.

The paper has called on the state to focus on contracting more foreign labor service projects to help meet international market needs, and has urged the simplification of exit procedures for workers assigned abroad.

**Merits of Establishing Joint Ventures Viewed**  
*HK070307 Beijing JINGJI CANKAO in Chinese*  
24 Mar 88 p 1

["Forum Column": "State-Owned Enterprises Can Also Be Turned Into Sino-Foreign Joint Ventures"]

[Text] State-owned enterprises joining hands with foreign manufacturers in their operations is a good "intermediary" method. What will this intermediary method

bring? It will bring advanced technology. The Beijing Jeep Corporation Ltd is cooperating with a foreign manufacturer who has made a 30 percent investment by supplying advanced technology. This corporation has gone in for joint operations with the foreign manufacturer on the old basis without expanding or increasing its factory buildings. With the 30 percent investment by the foreign manufacturer, the corporation is producing good quality cars. This is worth doing. There are many advantages in this joint management. It has introduced from abroad, first, advanced technology; second, scientific managerial experiences; and third, a marketing network, the biggest advantage being that the corporation does not need to make a new capital investment.

It takes several years and a large investment to build a joint venture. Without a solid foundation, it is even more difficult to put it into operation. Even a wholly-owned enterprise will need 2 to 3 years to get into operation. But a state-owned enterprise can produce quick returns on capital and achieve good economic results the same year it joins hands with a foreign manufacturer, apart from not bothering to make an additional capital investment.

If all parts of the country, particularly large cities, can follow this example, that will be terrific. What are the difficulties? The main difficulty is how to make arrangements for the surplus workers remaining from the reorganization of the relevant state-owned enterprises. In allowing foreign manufacturers to manage joint ventures, the original number of workers will be reduced, as will the number of cadres at the sectional level. Thus, special work arrangements have to be made for these surplus workers and cadres. This will add to our difficulties in work, and ideological problems will also arise among these workers and cadres. But this practice is conducive to the enterprises and the state, and we believe that the ideological problems of the workers and cadres can be resolved. It is very important to transform state-owned enterprises possessing advanced foreign technology into joint ventures so that their economies will shift to export-oriented ones. There is also great potential in this endeavor.

**State Price Bureau Chief on Price Hikes**  
OW071045 Beijing XINHUA in English 1000 GMT  
7 Apr 88

[Text] Beijing, April 7 (XINHUA)—The price hikes last year resulted mainly from necessary price adjustments made in order to observe the law of value, expand production of farm produce and light industrial goods in short supply and to support other reform measures, Cheng Zhiping, director of the State Price Bureau, told XINHUA here today.

The director added that wanton acts by some enterprises were also one of the factors behind the price hikes.

Cheng told XINHUA that the state will apply the law of value in stabilizing and promoting the economy this year and will continue with the reforms in the pricing system and in the price management system.

At the same time, Cheng said, the state will continue to adjust those irrational prices, which are hindering production, in a planned manner and step by step, while trying to control the range of price rises and firmly checking illegal price hikes.

The pretty high rate of price rise in China in the past three years, last year in particular, has drawn serious concern from the government and the general public.

According to the price bureau chief, retail prices rose by 7.3 percent last year over 1986 and food prices rose by 10.1 percent, reducing the income in real terms of 21 percent of the urban households.

Cheng pointed out that production is seriously hindered by the long-accumulated problems in the old price system in China, mainly low prices for farm and sideline products and for primary industrial goods as well as irrational prices for a great amount of commodities.

The government has carried out initial reforms in the pricing system and the price management system in the past nine years, Cheng said.

According to him, during the period, China's purchasing prices for farm produce were raised by 99 percent, minerals by 77 percent, raw materials by 55 percent and manufactures by 21 percent. This has stimulated production of energy, raw materials and other commodities in short supply.

The government has adopted various measures to appropriately control the retail prices for farm and industrial goods, Cheng said, adding the general retail prices rose only 45.7 percent in the past nine years while on average, workers' wages increased by 140 percent and farmers' income increased by 250 percent.

The state has also lifted price control on some commodities during the time and this has facilitated development of a commodity economy, the director said.

While affirming the general reform policy, the director listed some problems in the specific measures in the price reforms.

"When supply generally cannot meet demand, producers want to raise prices but consumers want stable prices. We neglected the complex nature of the price reform and have not fully applied the law of value.



"We were sometimes too cautious and did not pay enough attention to the interests of producers; sometimes we did not fully anticipate chain reactions of price changes and did not take into full consideration the consumers' interests," the director said.

He told XINHUA that in the long-run purchasing prices for food need to be further raised so as to expand production and increase market supply.

The State Council has decided to grant subsidies to workers and students in colleges and special technical schools for rises in prices for the rationed part of major food items, he told XINHUA.

He suggested that risk funds be set up all over the country for purchasing farm and sideline products so as to stabilize production and supply of major nonstaple foods.

The state will continue to strictly control the general price level in the country after it starts subsidizing price rises for some food items, Cheng stressed.

It will also ensure strict implementation of state-set prices and state guidance prices and will exercise necessary intervention in pricing for important and highly-demanded goods, for which the state has already lifted control, Cheng continued.

It has already set price ceilings for crude oil, gasoline, kerosene, diesel oil, aluminium ingots and 23 varieties of steel products this year, Cheng said.

**Commentator on Growing Enterprise Mergers**  
*HK061503 Beijing RENMIN RIBAO in Chinese*  
26 Mar 88 p 4

[Commentator's article: "Encourage Superior Enterprises To 'Swallow' Inferior Ones"]

[Text] Baoding City in Hebei regarded the strengthening of superior enterprises as a target, broke the state of rest and isolation, and concentrated production factors on enterprises and entrepreneurs who are superior in operation. In 4 years it "eliminated" all budgeted loss-making enterprises. What prescription did they write out? It is not complicated but only two characters: merger.

Perhaps, people might say: Could this be that "the big fish swallows the little fish?" Can we use this method since our's is a socialist system?

Merger is a form of expanding the enterprise operation scope by acquiring all the assets, or the power of control, of another enterprise or some other enterprises. Some people also call merger the transfer of enterprise proprietary rights. Survival of the fittest is unavoidable in the wake of the unremitting deepening of reform, rapid development of the commodity economy, and gradually

more acute market competition. The merger of the loss-making enterprises with the enterprises which operate well is an inevitable phenomenon of survival of the fittest in the course of the development of the commodity economy. Merger is not exclusive to capitalist society and is an important way to readjust the organization and structure of an enterprise in the commodity economy.

Our country has some 400,000 industrial and communications enterprises. As far as the macroeconomic structure of these enterprises is concerned they are not completely rational and lack an effective mechanism for rational readjustment. Attempts were made in the past to readjust the structure of the enterprises through closing, suspending, merging, and shifting to other types of production, but the results were not ideal. The reasons were: 1) These measures were mainly carried out by administrative orders to merge loss-making enterprises with superior ones. So far as the superior enterprises were concerned they "shouldered a burden," while the staff members and workers of the loss-making enterprises felt at ease and justified. The inherent enthusiasm of the enterprises could not be aroused. 2) The merged loss-making enterprises and superior enterprises were on an equal footing and their cadres, who had been arranged on a reciprocal basis, blurred the positions of merging and being merged. Consequently, there were many conflicts and "after-effects." The merging of loss-making enterprises and enterprises which operate well can avoid the defects brought about by merger using the administrative method. It can slightly move the mechanisms for resource allocation which have been ossified for many years so that, as storage for all production factors, the enterprises can begin working; conditions can be provided for the expansion and development of enterprises which operate well; and the social resources can be rationally recombined and properly allocated. The shock caused by this method is much less than that brought about by the enforcement of the "bankruptcy law." The enforcement of the enterprise "bankruptcy law" compels the enterprise to act according to the economic law. However much work must be done, before and after an enterprise's bankruptcy, particularly the payment of debts, arrangements for the personnel, social insurance, and so on, by the administrative departments in charge and departments concerned in society. At present, work is still not done in a coordinated way in many aspects. Under such conditions enterprise mergers are obviously relatively safe and more easily acceptable to the people.

Does an enterprise which swallows another enterprise hurt the operational decisionmaking power of the enterprise which has been "swallowed?" Analysis is needed here. There is a condition for acquiring the operational decisionmaking power, which is conditional upon attainment of a certain operational target. When an operator fails to attain the operational target, incurs a great loss, or is even on the verge of bankruptcy, it means that his operational power is automatically forfeited.

The strengthening of operational power is, therefore, the strengthening of the superior enterprises' operational

power; regarding enterprises which cannot attain the proposed operational target it can only be said that their existing assets can be better used and their operational decisionmaking power better exercised through their proprietary rights and operational power being merged or transferred.

Regardless if merger is in the form of purchase or in the form of acceptance, merger has drawn the attention of all quarters due to its apparent economic results. In the great trend of deepening enterprise reform the cry for the purchase of enterprises for development or for the transfer of the proprietary rights for subsistence gradually becomes louder. It appears that the transfer of enterprise proprietary rights most likely becomes a new choice in the deepening of reform in our country, and that reform of changing the enterprise operation mechanism will be pushed on a stage. Merger and the transfer of proprietary rights will surely be integrated with many forms of the contracted management responsibility system, with separation of proprietary rights from operational power as the foundation, and "capable people" invigorating enterprises will be linked to enterprises invigorating enterprises to bring the vitality of the enterprises into full play. We must have a full understanding of this.

**Agricultural Futures Trading Market Urged**  
*OW070539 Beijing XINHUA in English 1211 GMT*  
6 Apr 88

[Text] Beijing, April 6 (XINHUA)—A signed article in today's "ECONOMIC DAILY" calls for futures trading in the purchase and sale of agricultural products, saying that it is needed to stabilize market prices which have long been fluctuating.

The article says that the issue is being studied by senior economists in Beijing, and some leaders are interested in it.

In recent years, it says, the prices of grain, cotton, meat and eggs have been going up and down constantly, making both agricultural production and market supplies unstable.

The article attributes the problem mainly to the widespread practice of spot transactions, which allow farmers to determine what to produce and how much to produce in the next round of production based on current prices and market supplies.

For instance, since the second half of last year, many peasants have responded to the shortage of pork by deciding to increase pig production. However, they don't know how much the market needs.

As a result, some people have predicted that most likely there will be another surplus in the supply of pork, with a concomitant price decrease.

The remedy, the article says, is to establish an agricultural futures trading market so as to allow farmers to arrange production in a rational way.

Futures trading refers to transactions conducted on prescribed dates, in designated places and at predetermined prices. The purchaser should pay a certain amount of money in advance and the seller, provide commodities of satisfactory quantity and quality.

Commodity prices will be determined by the futures trading market and farmers can go about their work at ease, according to signed contracts and predetermined prices, without worrying about price fluctuations.

The article suggests that futures trading markets be set up in business centers which offer convenient means of transportation and easy-access to information.

Commodities for futures trading should be those that are both needed in bulk on markets and vulnerable to price fluctuations, the article says.

Generally, they should also involve comparatively long production cycles and fall into the category of being easily transported and stored.

The article also calls for decrees and regulations governing the trading in order to prevent illegal activities, as well as standardized contracts and specific transaction methods.

Ideally, a funding administration system should also be established, it added.

**Agrotechnology Said 'Critical' to Production**  
*OW070515 Beijing XINHUA in English 1057 GMT*  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—Raising per acre yield by means of scientific farming methods is of critical importance if China is to raise its grain production, a senior Chinese official in charge of agriculture said.

Zhang Gensheng, deputy head of the Rural Development Research Center under the State Council, told "PEASANT'S DAILY" that China's population will reach more than 1.2 billion by the end of this century. If each person consumes an average of 400 kilograms of grain per year, the country will need a total of 500 billion kilograms of grain a year.

China produces 400 billion kilograms a year at present.

According to Zhang, China's vast population is limited by water and mineral resources. The country's cultivated land area averages only 0.1 hectare per person and its high-yield farmland accounts for only one third of total cultivated land. In addition, total cultivated land is decreasing yearly. The lack of adequate water resources



in north China has restrained the expansion of irrigated areas, and about 40 million hectares of farmland suffer various natural disasters each year.

Another problem is that growing grain is not as profitable as it used to be, and as a result, many peasants are not interested in grain production, according to Zhang.

In line with China's actual conditions, Zhang said, it is important to increase support for farmers, including supporting the spread of agrotechnology in order to raise per acre yield.

He suggested increasing the use of products such as chemical fertilizers, plastic sheeting, farm machinery, and pesticides, and continuing to expand irrigation systems and introducing improved crop strains.

According to the deputy head, the state must guide people to accept grain as their primary food group and meat, eggs, and milk as nonstaple, secondary items, while at the same time striving to grow more soybeans and raise more poultry and aquatic products.

Zhang called on the state to raise grain purchase prices and adopt policies to stimulate peasants' initiative in grain production in order to meet grain production goals by the year 2000.

**Domestic Production of Small Cars Planned**  
*HK070939 Beijing CHINA DAILY in English*  
7 Apr 88 p 3

[By staff reporter Wang Dongtai]

[Text] China has decided to produce its own cars instead of importing them and plans have already been made to produce 300,000 small cars.

Huang Yuqing, a department chief at the Institute of Comprehensive Transportation, said the cars will have only four seats including the driver's.

Small cars save money because they are cheaper to make and to run, Huang said.

He said the government has already picked a vehicle manufacturing corporation in Xiangfan, Hubei Province, to make the cars.

The small cars are designed for the domestic market and will be sold to individuals, private enterprises and government institutions, he said.

Huang said that the cars would not appear on the market in great numbers until after 1995, and before then many problems have to be solved.

Parking is one of the problems, he said, as one car occupies the same space as 20 bicycles. At present, most urban drivers find it difficult to find a place to park.

Road congestion is another problem. City roads are crowded enough already.

Huang said that in addition to the plant in Hubei, the joint venture car-maker in Shanghai will mainly produce cars for export.

Since 1949, China has imported 1.3 million vehicles at a cost of \$13 billion, equal to three times the amount of money invested in the domestic auto industry over the same period.

Economists and transportation experts believe that by the year 2000, China's output of steel, petroleum, and other materials will warrant the development of a car-making industry.

As a deputy secretary-general of China Communications and Transportation Association, Huang is very worried about the country's transportation problems.

Transportation is more important than the energy problem and the government should pay more attention to it, Huang said. The government has decided to develop the coastal economy, but the success of this depends on the ability of the transportation infrastructure, Huang said.

If the government does not increase its investment in transportation, the situation will be severe in the near future, he said.

The government should issue favourable policies for the development of transportation. Huang said the government has been charging higher prices to cover the increased consumption of oil since 1982. And the extra costs have affected both civil air and road transportation.

But at the same time the transportation system cannot charge higher prices for its services. Huang said that whereas other products like coal, steel and grain have several levels of prices such as the government set price and the free market price, the government allows only one price for the transportation service, and that is the set price.

Huang said that to develop the country's transportation, prices for transportation services should be raised.

**Successful Female Entrepreneur Profiled**  
*OW071007 Beijing XINHUA in English 0219 GMT*  
7 Apr 88

[“China's Entrepreneurs (6th of a series): Behind the Gold-Rimmed Spectacles, a Tough Business Woman”—XINHUA headline]

[Text] Guiyang, April 7 (XINHUA)—Xu Yinglian looks like a scholar with her gold-rimmed spectacles and her gentle demeanor. But colleagues say that the 56-year-old Xu is “a tough business woman” who never shirks from making hard decisions.

Last month, she was made one of China's top 50 women entrepreneurs for her part in expanding the output of Zhenhua Electronics Industry Company. In four years, the factory's output has risen from 10 million yuan a year to 50 million yuan. As general manager, Xu is responsible for a workforce of 30,000.

Xu graduated from South China Engineering Institute in 1953 from where she went to work as a technician in an electronics factory. After nearly 20 years of hard work, she was promoted to senior engineer in 1982 and shortly afterwards to director of Guizhou Administrative Bureau of the Ministry of Electronics Industry.

But it was not until four years ago that Xu's entrepreneurial talent came to the fore. In 1984, 21 munitions factories in Guizhou Province, which came under the control of the Ministry of Electronics, switched to producing goods for civilian use. Xu combined these 21 factories into the Zhenhua Electronics Industry Company and took over as general manager.

Xu immediately introduced the so-called contract responsibility system, which made each factory more accountable for its own profits and losses, improved the coordination between the factories and expanded their ties outside the region.

She allocated about four million yuan for the professional training of staff as she believed that "people of talent are the key factor in the development of an enterprise." Now more than half of the enterprises' employees have college or technical secondary school diplomas and about one-third of the 4,000 technicians are qualified engineers.

Early in 1985, Xu fought a lone battle to manufacture equipment for satellite broadcasting and television ground stations against the wishes of her fellow directors. She went to Beijing to meet ministry officials and won orders from them.

"If we do not compete with others by developing new products, we will lose our place in the market," she told fellow directors.

The company went on to manufacture eight ground stations, which passed national technical appraisal within six months. Subsequently, her company won a highly competitive bid to develop a new type of program-controlled telephone exchange.

The success in developing the two projects has made Zhenhua Company well-known in the Chinese electronics industry.

Without receiving any state investment, output of the company grew by nearly 20 percent last year. Profits and taxes went up by 15 percent.

And, if that were not enough, she had to raise a son and a daughter single-handed as her husband went to work in another province for 15 years. Her son is now an electrical engineer and her daughter a secondary school teacher. "As a woman, I had to make more efforts than a man to achieve success in my career," she said.

Xu said she owes much to the solidarity and loyalty of her workers. But the opportunities for her success derive from the central government's policies which encourage enterprise, she said.

**Health Minister Supports 'No Smoking Day'**  
*OW061131 Beijing XINHUA in English 1613 GMT*  
6 Apr 88

[Text] Beijing, April 5 (XINHUA)—China's Minister of Public Health Chen Minzhang made a speech over national radio and television this evening to encourage everyone to observe the world's first "no smoking day," April 7.

In response to the "no smoking day" sponsored by the World Health Organization, China's Public Health Ministry released a circular calling for more efforts to get people to stop smoking.

"China has a lot of smokers," the minister said, adding a recent survey of 500,000 individuals revealed 33.9 percent over the age of 15 smoke, of which 61 percent are men, and 68.9 percent of Chinese men over the age of 20 smoke.

"During the past few years," Minister Chen said, "many departments have done their bit to control smoking." He cited the country's airlines which don't allow people to smoke on domestic flights and mentioned that some trains are now designating "no smoking" carriages.

Some of the country's medical facilities are providing outpatient services to help people stop smoking, while Beijing and Shanghai Municipalities, Liaoning Province and some other areas have set up organizations specializing in smoking and resulting health problems.

"Our projects have seen favorable results and have demonstrated smoking can be controlled if it is dealt with in a serious manner," the minister said.

The minister has called on China's media and health-related organizations to be sure every family nationwide has information on the dangers of smoking.

"The society needs to do more to keep young people from smoking, so the number of smokers can be cut to a minimum in one or two decades," Chen said.

The minister also encouraged the country's medical personnel to be good models and lead the country's drive to get people to stop smoking.



**Medical Teams To Go to Developing Countries**  
HK070937 Beijing CHINA DAILY in English  
7 Apr 88 p 3

[By staff reporter]

[Text] More medical experts will be sent abroad to help developing countries and measures are to be taken to be more selective; they may better serve the needs of those countries, said Chen Minzhang, Minister of Public Health. [sentence as published]

He was speaking at a meeting yesterday to celebrate the 25th anniversary of China's decision to send medical teams abroad and also to commend those people who had made great contributions in this field.

Fifty medical workers, managerial personnel and family members, along with 15 model work units, were rewarded for the "fine example" they had shown.

The Chinese Government has for a long time, attached great importance to sending medical teams to developing countries. This work has been undertaken by 27 provinces, municipalities, and autonomous regions around the country and all medical institutions under the Ministry of Public Health.

China sent her first medical team to Algeria in April 1963, and since then, more than 10,000 Chinese medical workers have been sent to more than 60 countries in Asia, Africa, Latin America and the South Pacific and Mediterranean areas.

Around 1,300 Chinese medical workers are still stationed in more than 100 centres in 49 countries and regions around the world. Most of the teams are involved in general medical care, but some carry out specialized work.

In co-operation with local medical workers, members of the Chinese medical teams provide clinical services and some act as advisers in hospitals in the host countries.

In the past 25 years, they have treated more than 160 million patients.

Their efforts have, to some extent, filled the gaps in the medical and health services of the host countries.

In order to help the host countries develop their medical work independently, the Chinese medical teams have actively engaged in the transference of technical knowledge to the local medical workers in order to raise their expertise.

They have also trained more than 2,000 medical workers at various levels and received high praise from the governments concerned as a result.

**Press, Publishers Said Facing Paper Shortage**  
HK050901 Beijing CHINA DAILY in English  
5 Apr 88 p 3

[Text] China's press and publications are facing a crisis, said a NPC deputy. The problem, according to Hu Jiwei, is a great shortage of paper.

The newsprint supplied to the PEOPLE'S DAILY, the Party's newspaper with the largest circulation, will last for only 20 days instead of the usual 60 days.

YANGCHENG EVENING NEWS in Guangzhou and WEN HUI BAO in Shanghai, both very popular among Chinese readers, have only enough paper stored for several days use, he said.

The reason is that paper factories have reduced their production of newsprint and increased that of other kinds of paper which can bring them more profits, said Hu, who is chairman of the China Federation of Journalism Societies. For example, last year the total demand for newsprint in the country was 600,000 tons, but makers only produced 345,000 tons. Imports were also greatly reduced.

This year the planned production of newsprint is 439,000 tons, and imports will be 150,000 tons, 20,000 tons less than last year, which cannot guarantee the normal publishing of newspapers and periodicals in the country, Hu said. More than 1,000 newspapers are facing the possibility of having to stop publication if the problem cannot be solved, he said.

Another problem is the rising cost of newsprint, 2,050 yuan per ton on the market. Because the price of wood, the main material in newsprint, has risen, paper makers now lose 500 yuan producing one ton of the paper, while in the past the loss was 200 yuan per ton. They are not willing to produce the paper after they adopt contractual system management.

In the meantime, the prices for newspapers remain almost the same as before. Several years ago, the PEOPLE'S DAILY earned an annual profit of 10 to 20 million yuan; last year it lost 6 million yuan. The Guangzhou-based YANGCHENG EVENING NEWS last year lost 600,000 yuan and this year it may lose as much as 17 million yuan.

Hu said, under such unfavourable conditions, some people ask, "why publish so many newspapers, who has the time to read them all?" Wanting to reduce newspapers to match the shortage of paper.

"That is really a foolish idea," he said. "Democratization in China has a close connection with the prosperity of newspapers and publications."

In China, he continued, newspapers and publications are not too many but still too few compared with other countries. In the Soviet Union, there are 8,091 newspapers. In the United States there are more than 9,000. But in China the figure is only slightly more than 1,000.

He also said that last year some newspapers which were welcomed by the masses were closed because of administrative interference, of administrative interference, shutting down more would not be a welcome to the public and would also violate the rule of press publishing. The emphasis on profits and the sharp rises in paper prices have made many publishing houses stop printing many prestigious books because they have a small circulation.

**Difficulties 'Mounting' in Publishing Books**  
*HK050855 Beijing CHINA DAILY in English*  
5 Apr 88 p 4

[by Yao Yu]

[Text] Difficulties are mounting in the publication of high quality academic books, including Chinese translations of Western classical academic works, CHINA DAILY learned from the Commercial Press publishing company.

Gao Song, Deputy Editor-in-Chief of the Commercial Press, expected the deputies to the ongoing National People's Congress session in Beijing to ask the government to attend to these problems.

The Commercial Press, working from its small office building on Wangfujing Street, Beijing, has been putting out scholarly publications for 91 years and remains a leading publishing firm in this field.

"Speaking from the aspect of economic results, we have achieved little," Gao told CHINA DAILY.

Moreover, nearly a quarter of its editors and translators have retired in the last two years. Among the newcomers, few have acquired the necessary specializations in social sciences or foreign languages.

Bad working conditions and obsolete equipment make the average time needed for publishing a book as much as 529 days, Gao lamented.

With increasingly stiff market competition, Gao noted, Chinese publishing industries must now pay more attention to their economic gains. Although competition itself may not be a bad thing, he said, some publishing firms simply refuse to publish serious academic works which, valuable though they are, do not necessarily sell well.

However, these books are needed by Chinese intellectuals, he said.

Since 1982, to adjust to the country's policy of opening to the world, the Commercial Press stepped up its publication of Chinese versions of foreign works of social sciences. Now more than 200 such books have been published. But their sales, generally speaking, have been very low.

This is because, Gao said, most of the original works are very academic. Their Chinese translations can be appreciated only by a small number of scholars and not even many university students.

The significance of these academic books has been great. They offer a "window" for Chinese intellectuals who had been long separated from intellectual communities outside, Gao said.

For example, translators are not paid adequately, Gao told CHINA DAILY. It takes no less time and energy to interpret a philosophical work than it does to write a new book. Yet, the payment for such translators is about six yuan less than that for writers of ordinary academic books per thousand words.

Yet, despite all the difficulties, Gao said, the Commercial Press must still give priority to the publication of Chinese translations of foreign social science works.

The Commercial Press regards this as a mission that it receives from the Chinese intelligentsia.

On the other hand, Gao pointed out, as long as the open policy remains valid, the nation will definitely have more scholarly exchanges with foreign countries and maintain a fairly large market for books by Chinese and foreign social scientists.

**Commentator on Issue of Intellectuals**  
*HK060733 Beijing GUANGMING RIBAO in Chinese*  
17 Mar 88 p 1

[Commentator's Article: "Reform Is the Only Way To Deal with Intellectuals' Problems"]

[Text] On behalf of the CPC Central Committee, Comrade Deng Xiaoping made the important inference that "intellectuals are part of the working class" at the national science conference held on 3 March 10 years ago. This inference was based on a profound analysis of the relations between science and technology on the one hand, and production materials and labor forces on the other; on correct knowledge of scientific research, which falls into the category of mental labor; and on an objective assessment of the basic conditions of China's intellectuals since the founding of the PRC. This inference, along with Comrade Deng Xiaoping's concept which repeatedly finds expression in his stress on showing respect to knowledge and qualified people, has



served as an explicit sign of basic change in our party's guiding idea and policy for intellectuals, namely the shift from the erroneous track of "leftism" to the correct track of Marxism.

We have gone through precisely such a change over the past 10 years. Although this course has not been plain sailing, and has been beset with all sorts of difficulties, we have basically resolved voluminous problems left over from history. We have fulfilled the task of implementing policies and ironed out relations between the intellectuals on the one hand and the workers and peasants on the other, with the social status of the intellectuals being greatly improved. The party and government have gradually exerted, or are still exerting, efforts in improving the work and living conditions for intellectuals. The tide of reform and opening up has pushed the whole society forward to show respect for knowledge and intellectuals, and opened up new realms where intellectuals can give full play to their abilities. The 13th Party Congress further determined the basic line for economic construction and economic and political structural reforms. This has filled intellectuals with greater confidence in the party, the state, and their own future.

To show respect to knowledge and intellectuals is the objective requirement of social progress and the development of civilization. While the levels of social progress and the development of civilization are determined by the level of productive forces, the more developed productive forces are the greater will be the demand for knowledge and qualified people. We failed to regard the progress of productive forces as the basic task for socialist society for a considerably long period in the past. Consequently, knowledge was slighted and intellectuals were looked down upon. When a social atmosphere characterized by slighting knowledge and looking down upon intellectuals took shape, such foolishness in turn shackled and impeded the progress of productive forces. It was a kind of malignant circle. Today, this malignant circle has gradually changed into a favorable one. Along with the development of productive forces is the determining of the basic task for socialist society. With resolute implementation of reform and opening up policy, it is beyond doubt that a fine social climate in which respect is shown to knowledge and qualified people is taking shape. Therefore, we can see that the basic solution to the intellectual issue can only be realized by pushing forward reform and opening up, and progressing productive forces.

China's issue of intellectuals is a major cause of long-standing vexation in Chinese society. Reform is the only way to deal with and provide a genuine solution to this issue. Only by reform will it be possible to awaken the yearning of the whole society for knowledge, to create a social atmosphere in which respect is shown to knowledge and qualified people, to genuinely upgrade the social status of intellectuals, and to really arrive at a plane on which everyone will contribute his talent and

his talent will be given full play. Only by reform will it be possible to eliminate, in ideological concept, the old "leftist" prejudices against intellectuals, to fully trust our intellectuals and to truly regard them as a backbone and reliable strength in socialist construction, and an important part of the working class, the part who have grasped modern science and culture. Only by reform will it be possible to really shape an atmosphere of democracy, solidarity, relaxation, harmony, and stability, in which atmosphere intellectuals will devote themselves to socialist construction with easy minds. And only by reform will it be possible to improve the work and living conditions of intellectuals as well as their treatment. Although we are still facing many problems in work concerning intellectuals, they will eventually be resolved step by step in a stable political and social environment, so long as we adhere to reform and the development of productive forces.

Therefore, the glorious mission of China's intellectuals today is to plunge themselves into the tide of reform and opening up without misgivings, to exert their efforts in doing a good job in economic construction, and to rapidly develop the social productive forces. That means they should serve reform using their own intelligence, knowledge, and talents, and serve promoting the rapid development of social productive forces. Our intellectuals should study, explore, and discuss whatever is favorable to reform and opening up, economic construction, progressing productive forces, and the building of spiritual civilization, and should blaze new trails and work hard to bring out good results in these aspects. Intellectuals should have a sense of mission as well as a sense of responsibility. So long as they prove their own sense of mission and sense of responsibility through their own efforts, they will find their due place in society. Let us follow the way of reform and opening up and march along it resolutely because bright prospects are ahead!

**Student Discovers Ancient Tibetan Book**  
OW070447 Beijing XINHUA in English 1044 GMT  
5 Apr 88

[Text] Beijing, April 5 (XINHUA)—An ancient book which was brought back to Beijing from Tibet by a postgraduate student has been verified as a valuable and rare volume on Tibetan arts and crafts, the "CHINA YOUTH NEWS" reported today.

The student Wang Gong, 31, from the Chinese Academy of Sciences' Institute of Natural History, traveled 12,500 kilometers in Tibet on his own between the months of June and August in 1986, and from April to September in 1987.

Wang found the book in Chagyab County, east of Tibet. Historians consider it a unique "encyclopedia" on ancient Tibetan arts and crafts. The 149-page volume was made out of a kind of paper specially produced in Tibet and contains over 26,000 hand-written words in the Tibetan language, the paper reported.

"The book introduces 80 how-to techniques, some of which had previously been lost to antiquity, covering such trades as paper-making, pottery-making, and metal processing," according to the paper.

Historians believe the book was written and published 300 years ago by the writer Dandzim Puncog, a noted scholar in Tibetan history.

Wang also found dozens of other materials valuable in the study of Tibetan history and culture, including a leather instrument used by ancient Tibetans to supply air in metal forges, and a wine processor, the paper reported.

**Communications Satellite Launch Hailed**  
HK051236 Beijing RENMIN RIBAO in Chinese  
24 Mar 88 p 3

[Report by HANGTIAN BAO (ASTRONAUTICS JOURNAL) reporter Sun Minqiang (1327 3046 1730) and RENMIN RIBAO reporter He Huangbiao (0149 7806 1753): "Astronautics Expert Sun Jiadong Speaks on the Significance of the Success in Placing China's Communications Satellite in Permanent Orbit"

[Text] What is the difference between the communications satellite for practical use that was successfully placed in permanent orbit on 22 March and other communications satellites that have been launched in the past? What improvements have been made in terms of technology and effects? Sun Jiadong, vice minister of the Ministry of Astronautics Industry and a well-known astronautics expert, said that the successful launching of the satellite indicated that the period of China's renting satellites would soon be over and that the 1 billion Chinese people living on a land of 9.6 million square kilometers would have a share in the astronautics technology achievements of their own country.

Sun Jiadong also told our reporters: This satellite is the third earth-synchronous orbit satellite carried by the "Changzheng No 3" carrier rocket. The first such satellite was launched in April 1984. Compared with the satellite launched on 1 February 1986, this third and

latest communications satellite has displayed the following main characteristics, apart from the improvement in precision and stability of its being placed in permanent orbit:

The working life of this communications satellite is 50 percent longer. The working life of the previous satellite was 3 years, but this one will last 4 years. [as received] The life of the satellite is determined by the amount of energy it can carry. To ensure that this satellite can carry more energy, designers manufactured a full set of new and reliable facilities.

The communications capacity of this satellite is 100 percent larger than that of previous satellites. This is the result of overcoming technical difficulties in the process of manufacturing a new device. This new device has a longer working life, is light, and has a good lines. Due to our success in overcoming such technical difficulties, the quality of telephone and television satellite transmission has been markedly improved. This communications satellite can fully meet the present demand for satellite telephone communications in our country and the demand of the Central Television Station for relaying various television programs.

The terrestrial surface radiation power of the satellite has also been increased by 25 percent. Because of our success in improving and updating components of the satellite, its power has been enhanced. In the past, different regions in our country, including the border region, islands, medium and small cities, and various units in cities, used to receive television relays through a ground receiving station with a diameter of 4.5 to 6 meters. Now, through a ground receiving station that has a diameter of 3 to 4.5 meters, we may have very good reception.

Sun Jiadong stressed: The "Changzheng No 3" carrier rocket has succeeded in carrying our three communications satellites into space. This shows that our "Changzheng No 3" carrier rocket and its launching and controlling techniques have been perfected and are completely reliable as well. This has strengthened our confidence in using the carrier rocket to launch various kinds of satellites for practical use in the future and will benefit our efforts to promote our "Changzheng No 3" carrier rockets on the international market, so that they can serve international clients.



**East Region**

**Fujian County Benefits From Overseas Investment**  
*OW070625 Beijing XINHUA in English 1120 GMT*  
*5 Apr 88*

[Text] Beijing, April 5 (XINHUA)—More Overseas Chinese investors are looking to Fuging County in Fujian Province as a good spot to start businesses, "ECONOMIC DAILY" reported today.

To date, the county, which is the home of 460,000 Overseas Chinese, has signed 27 contracts for joint ventures, which involve investments of 215 million yuan (\$8.1 million U.S. dollars) and of which 60 percent is coming from Overseas Chinese.

According to a county government economic official, Fuging County boasts 10 joint ventures now under construction, and to attract more investment from Overseas Chinese, the local government has worked out more flexible policies.

Now Overseas Chinese investors are free to choose projects, factory locations, project partners, and employees, and they are also being encouraged to design projects and invite experienced management personnel from abroad to manage enterprises in the county.

Last year, Fuging opened the Overseas Chinese Industrial Development Center, which has already organized 11 joint ventures which will manufacture clothing, toys, furniture, textiles, and shoes.

Of these projects, 2 are now in trial operation and are expected to score an output value of 30 million yuan (\$1 million U.S. dollars) this year, the official said, and the other 9 projects are still under construction.

Fuging has approved seven export processing bases for nylon raincoats, clothes, bags, and electrical products, and will build necessary support facilities for the center.

Preparations for these projects began last November, and so far 19 contracts have been signed.

**Fuzhou's Putian City Develops Processing Industry**  
*OW070805 Beijing XINHUA in English 1149 GMT*  
*5 Apr 88*

[Text] Fuzhou, April 5 (XINHUA)—Putian, a rising new city in China's coastal Fujian Province [words indistinct] efforts to developing processing industry.

The city has signed 336 contracts with foreign firms from seven countries and regions for processing supplied materials and some specialized processing factories have been set up.

The city's nearly 10,000 workers involved in the industry produces electronic products, shoes, garments, toys, artificial flowers and plastic products.

In 1987, they made 17 million pairs of shoes which were sold to more than 20 countries and regions. The watches assembled amounted to over 100 million and earned a total processing fee of more than 800,000 U.S. dollars.

"The industry will be further developed this year," said Wang Jindi, vice-mayor of Putian.

He said that a series of preferential terms will be offered in product prices, land requisition, factory building construction and supply of power.

Besides, go-between successful in establishing contacts between foreign and Chinese enterprises for processing industry will be allowed to take commissions, the vice-mayor said.

**Han Peixin, Gu Xiulian Attend Jiangsu Forum**  
*OW070215 Nanjing XINHUA RIBAO in Chinese*  
*17 Mar 88 p 1, 3*

[Text] The 7-day forum on rural work held by the Jiangsu provincial party committee and the provincial government closed in Nanjing on 15 March. The meeting analyzed and discussed seriously the current rural economic situation, particularly agriculture. The comrades present reached a comparatively common understanding, and thoroughly studied the policy measures for solving conspicuous problems on the production and marketing of grain, cotton, and pigs. They also studied seriously strategic measures to bring about steady rural economic development and accelerate the development of the production of farm products for export. The participants included the deputy party secretaries and vice mayors in charge of rural work in all cities; the directors of rural work departments, bureaus of agriculture, and finance offices in all cities; and responsible persons of departments, committees, and bureaus concerned under the provincial party committee and the provincial government.

Secretary of the provincial party committee Han Peixin, Governor Gu Xiulian, and deputy secretary of the provincial party committee Sun Jiazheng attended the forum and joined other participants in discussion. Deputy secretary of the provincial party committee Sun Han and Vice Governor Ling Qihong spoke on Jiangsu's rural economic situation, policy measures to stabilize and develop agriculture, and rural economic development strategy, and on the need to strengthen leadership over rural work.

The meeting held: The general situation in Jiangsu's rural economy is good. The principal current problem is the conspicuous contradiction between supply and demand of major farm products, such as grain, cotton, and pigs. Therefore, we should use the law of value to

regulate production and consumption, and accelerate and deepen rural reform. While continuing to practice the contract purchase and the "three links" policy in grain production, we should permit producers to sell their surplus grain in the market at the market price after fulfilling the contract. In cotton production, we should adopt a support and encouragement policy, increase the area of cotton crops by reducing the contracted grain purchase in some regions, properly increase the subsidy for cotton production, and relax the control of cottonseed prices. We should decontrol the price of pigs basically, and give urban workers and staff members subsidies [to compensate for higher pork prices after the decontrol of prices]. At the same time, we should further improve regional cooperative economic organizations, develop a specialized cooperative economy, and deepen reform of the commodity circulation and banking systems, particularly the restructuring of state-owned commerce, to invigorate the purchase and marketing of agricultural and sideline products. The comrades at the meeting seriously discussed the policies and reform measures put forward by the provincial party committee and government. They were determined to implement the policies and measures conscientiously to promote steady agricultural development in the province.

On rural economic development strategy and how to bring about a long, steady, and coordinated development of the rural economy, the participants held that, while striving to do present work well, we should pay great attention to studying rural development strategy, formulate a scientific midrange development plan, and implement key and important measures. The general development strategy for rural production is "to steadily develop the primary industry, continue to develop the secondary industry, develop the tertiary industry appropriately, and develop an export-oriented economy energetically." In order to develop agriculture steadily, we should adopt comprehensive measures to increase per unit area yield, exploit resources, develop actively a diversified economy, increase economic returns, modernize agriculture, and accelerate the development of agriculture of a properly enlarged scale. When formulating the strategy and the plan for the development of secondary and tertiary industries in rural areas, we should handle correctly the relationship between urban economic development and rural economic development, and continue the policy of "improving southern Jiangsu actively and accelerating the development of northern Jiangsu." We should develop vocational and technical education, improve the scientific, technological, and general knowledge of the working people, step up the construction of infrastructure, and integrate the development of a home-oriented economy with the development of an export-oriented economy.

The meeting pointed out: Accelerating development of an export-oriented economy is an important strategic measure in exploiting the opportunity of international economic development and quicken the pace of opening to the outside world. It is also aimed at meeting the

inherent demand of our province's economic development, including agricultural development. During the Sixth 5-Year Plan, exports of agricultural and sideline products and their processed products contributed to 61.5 percent of the total foreign exchange earnings of our province. In accelerating development of the export-oriented economy, the rural areas should continue to shoulder the heavy task and make still greater contributions. To develop exchange-earning agriculture and export-oriented village and town enterprises, it is necessary to clarify the direction of development, grasp the key tasks, pay attention to processing products to increase their value and earn more foreign exchange. Earnest efforts should be made to strengthen the construction of exchange-earning agricultural centers and develop lateral economic ties vigorously. In addition, arrangements should be made for rural cadres and masses to learn foreign trade knowledge and develop new ideas.

The meeting stressed the need to beef up and improve leadership, striving to achieve a stable development of the rural economy, particularly agriculture, this year. In the first place, it is necessary to seriously organize cadres at all levels and the broad masses of peasants to study the relevant documents issued by the central authorities so that they will achieve the same thinking. In addition, it is necessary to do good propaganda work in society so that people of all walks of life will have a better understanding of agriculture, and thus give more active support to rural work. Moreover, prompt attention should be given to the current work of production. In particular, prompt arrangements should be made for the manufacture and supply of means of agricultural production. As for reform of party and government organizations, it is imperative to carry out the work according to the plans made by the central authorities and the provincial party committee. As far as agriculture is concerned, two things should be geared up in separating party and government functions: One, the government should strengthen its leadership and take over the tasks formerly included in the party's functions. There should be still better leadership for the work of the government. Second, the party committee should discontinue those tasks it should not take care of, but handled solely in the past. Instead, it should do still better in beefing up its leadership over the work of overall importance, such as the rural economic development strategy, the rural economic policy, and rural reform. Both the party committee and the government should have a department to lead rural work in their respective realms. Meanwhile, the jobs of those experienced comrades engaged in rural work for a long time should be kept relatively stable in the interest of strengthening this work force on the agricultural front.

**Shandong To Popularize Contract System**  
SK060123 Jinan Shandong Provincial Service  
in Mandarin 2320 GMT 4 Apr 88

[Text] The foreign trade departments of our province have decided recently to popularize the contracted-managerial-responsibility system in foreign trade in a



comprehensive manner. The various specialized foreign trade corporations and export enterprises should formulate plans for implementing the system in line with specific conditions, fulfilling their contractual responsibilities, supporting and coordinating with each other to carry out their contractual managerial tasks and other reform tasks, and to provide favorable conditions for our province in developing an export-oriented economy.

The contracted-managerial-responsibility system will be applied mainly to provincial-level foreign trade enterprises, and industrial enterprises that have import and export authority. These industrial enterprises may sign contracts of their own, and may also join foreign trade enterprises to sign contracts.

The principle for signing contracts is that no matter who signs the contracts, the enterprises should fulfill the export tasks assigned by the state and the province. The province's base export quota assigned by the state will remain unchanged for 3 years. From now on, the province's foreign trade growth will depend on exports in excess of the base quota. Therefore, we should be determined to invigorate and expand exports in excess of the base quota so that our province can achieve fairly great development in earning foreign exchange through exports.

**Zibo, Shandong Youths Compete for Leading Posts**  
*SK060648 Jinan Shandong Provincial Service*  
*in Mandarin 2300 GMT 5 Apr 88*

[Text] On 1 and 2 April, 22 young persons in Zibo City read their carefully prepared theses "If I Am Elected Secretary of the City CYL Committee" before the appraisal committee and more than 100 CYL cadres, and answered their questions. This was a public competition to enter the new leading bodies of Zibo City CYL Committee.

Based on the answers and practical observations, the appraisal committee and the CYL cadres recommended 11 comrades as candidates for the election of secretary, deputy secretaries, and Standing Committee members of the city CYL Committee. In a few days, they will be dispatched to the electoral areas to attend the elections of CYL delegates. In May, they will attend the Ninth Zibo City CYL Congress to join the elections with more candidates than posts.

The elections of the city and district level leading bodies were Zibo's new and bold attempt to reform the cadre and personnel affairs system. Early in the year, the Zibo City Party Committee decided to adopt the method of combining the recommendation by one's own department or other departments with inspections, examination, and appraisal made by experts to recommend the choice of persons to serve as candidates in the elections of members of the Standing Committee of the Ninth Zibo City CYL Committee. In late March, a total of 146

persons were recommended by the district, county, and city-level departments, party organizations, and by the enlarged plenary session of the city CYL Committee through the method of recommending candidates by one's own departments or other departments of whom 22 won the credentials to attend this meeting.

Improving the CYL organizations by reforming the CYL cadre and personnel affairs system has caused strong repercussions among the CYL organizations throughout the city. During the past 2 weeks, the atmosphere of CYL organizations was enthusiastic. The CYL cadres could not sit still even for a moment. They felt the pressure of competition. Ten middle-ranking cadres of the city CYL Committee participated in this competition meeting to answer questions. They were both happy and worried. They were happy at winning the opportunity to compete with others on an equal basis and were worried about their possible defeat during competition.

The Organization Department of the Zibo party committee maintained that the method of electing cadres by combining democratic recommendation with elections in line with regulations may help to eliminate contingency and one-sidedness, guarantee the quality of the new leading bodies, and provide equal competition opportunities for more young cadres.

(Sun Nenyu), chairman of the appraisal committee and director of the Organization Department of the Zibo City Party Committee, said happily: Such a reform can first help us obtain trained personnel and second obtain instructions for dealing with an emergency. The 22 theses and answers given by the 22 persons during competition will serve as the 22 plans for reforming the CYL work.

**Shanghai Industrial Output Up Despite Hepatitis**  
*OW060855 Beijing XINHUA in English 1430 GMT*  
*4 Apr 88*

[Text] Shanghai, April 4 (XINHUA)—Despite a hepatitis outbreak, Shanghai's January-March industrial output value was up 4.7 percent over the same period of last year.

According to official statistics, the city's total output value for the first quarter is 23.96 billion yuan, of which the light industry furnished 13.23 billion yuan and heavy industry, 10.73 billion yuan. The city yielded 8.78 billion in industrial output value in March, more than the same month of any previous year and up 28 percent over February, when the disease ran wild in the city.

Officials attribute the city's industrial success to the contract system, which is now practised in over 90 percent of the city's 1,793 state-owned enterprises.

**Freed Bishop To Visit U.S. for Medical Treatment**  
**HK050325 Hong Kong SOUTH CHINA MORNING**  
**POST in English 5 Apr 88 pp 1, 2**

[By Terry Cheng in Beijing]

[Text] The Vatican-appointed Shanghai Bishop Ignatius Gong Pinmei, who was released last year after 30 years in jail, will be allowed to travel to the United States for medical treatment.

Bishop Gong was given a passport, valid for five years, by the Chinese Government after being given back political rights in January.

He is expected to travel to the United States later this month, an official of the Shanghai Diocese told the **SOUTH CHINA MORNING POST** yesterday.

The 86-year-old bishop has intestinal and heart problems.

Bishop Gong will be accompanied by a nephew from the United States in travelling abroad. The bishop has a sister-in-law and several nephews and nieces living near New York. He has another brother in China.

The official said Bishop Gong had indicated that he would return to China.

He is still the Shanghai Bishop, according to the Vatican which does not have official ties with Beijing.

He was jailed for more than 30 years for alleged counter-revolutionary offences.

And in a recent interview with the foreign press, Bishop Gong said he was still "loyal to the Vatican". He said he had neither repented nor sworn allegiance to the Patriotic Catholic Church, created by Beijing after its break with the Vatican in 1957.

Church interests in the United States, including the Free the Fathers movement, mounted a campaign for Bishop Gong to be allowed to travel abroad.

The new Shanghai Bishop Jin Luxian, who is in Beijing attending the Chinese People's Political Consultative Conference, said Bishop Gong was now enjoying full freedom.

"He can go anywhere he wishes," Bishop Jin said.

Bishop Jin, who replaced the late Bishop Zhang Jiashu in February, is the new Shanghai Bishop under the China Patriotic Catholic Association, which does not recognise Vatican authorities.

Bishop Jin confirmed that only one Catholic Jesuit father, Chen Tianxiang, was still in prison.

There are still priests on the mainland who remain loyal to the Vatican, said Bishop Jin. These priests prefer to conduct religious ceremonies at home, with five or six people in a group.

"We welcome them to go to the church and even conduct Mass," he said.

Bishop Jin appealed to the Vatican not to support "underground activities" of Catholic priests on the mainland. "These underground priests are not beneficial to the church."

He said the Catholic doctrine did not call for opposition to a government.

There are more than 10 bishops and about 200 priests operating secretly on the mainland, he said. Bishop Jin said this number might not be known to the Vatican which allowed them to ordain themselves.

There was a danger that they could fall victim to heresy because their theological level was too low, he added.

Bishop Jin said the Vatican's support for the underground church was a major obstacle to normalisation of its relationship with Beijing.

Another obstacle was the Taiwan issue. At present, the Vatican maintains official ties with Taipei and does not recognise Beijing.

"Will it be too late for the Vatican to recognise the People's Republic after the recognition of all the other countries?" he asked.

He said he and Cardinal Jaime Sin of the Philippines had not discussed the relationship with the Vatican during the latter's Shanghai visit.

"I'm optimistic of the prospect of a China-Vatican relationship and its normalisation will bring benefit to both the church and the state," Bishop Jin added.

As to the question of the Patriotic Church's insistence on ordaining its priests, he said this could be solved through negotiations.

Diplomatic relations with the Vatican should be left for the Government to handle, he said.

**Shanghai Institutes Direct Dialing Service**  
**OW041308 Beijing XINHUA in English 1254 GMT**  
**4 Apr 88**

[Text] Shanghai, April 4 (XINHUA)—Beginning tomorrow, Shanghai residents will be able to make telephone calls directly to all Chinese cities and 180 countries and territories.



The city will put 60,000 program controlled telephone sets into service Tuesday, said Zhang Jian, deputy director of the city telephone bureau.

Other telephone services to be added later include conference calls and wakeup calls, he said.

**Xue Ju, Plant Directors on Developing Exports**  
*OW050941 Hangzhou ZHEJIANG RIBAO in Chinese*  
23 Mar 88 p 1

[Report by ZHEJIANG RIBAO reporter Chi Jinhua: "Learn To Swim in the Stormy International Market"—report on conversations between Xue Ju, secretary of the Zhejiang Provincial Party Committee, and directors of some township enterprises]

[Excerpts] During a meeting at a village restaurant in suburban Hangzhou yesterday afternoon, Comrade Xue Ju, secretary of the Zhejiang provincial party committee, held a heated discussion with a dozen or so directors of export-oriented township enterprises on the development of export. [passage omitted] Making a 1-minute opening speech, Xue Ju said: "I just came back from attending the 2d Plenary Session [of the 13th CPC Central Committee] in Beijing. Whenever leading comrades of the Central Committee and the State Council saw me, they asked invariably how Zhejiang is doing in developing its export-oriented economy, whether we could do the job faster. How should we proceed? What sorts of problems township enterprises had? What were Zhejiang's plans and measures? Today I want to hear your views." [passage omitted]

Zhang Qingyong, director of the Ou Hai County Foreign Trade Industrial Company, recalled how he set up his business 3 years ago with 78,000 yuan of shareholders' money and how his company now earns \$10 million a year. He reported that the development of export this year would face three major problems: 1) Fluctuation of the international market. The devaluation of the dollar and fluctuation of the foreign exchange rates, he said, will have an impact on enterprise's profits. 2) The serious shortage of proficient personnel. The hiring of one engineer requires tens of thousands of yuan, he reported, and how to train proficient personnel is a big problem. 3) The work of some departments in the superstructure cannot keep up with the strategic shift. Proficient personnel and technology, he said, are the most important elements. Sharing Zhang's feeling, Xue Ju said: "It is true that township enterprises have just as many favorable factors as well as problems for them to develop export. The development of township enterprises is fast in Zhejiang, but the percentage of foreign exchange they have earned from export is still small. We must realize our deficiency. While speeding up our pace, we must proceed steadily and surely to achieve practical results. One of the three problems you have just mentioned is the constant fluctuation of the international market. We must have a way to deal with the situation and be prepared for the storm. We must be prepared in

two respects: While exploring the international market, we must also develop the domestic market so that we can proceed or retreat according to the situation. Then there is the institutional problem. The central government has decided to thoroughly restructure the foreign trade system in a drastic way so that the problem of "eating from the same big pot" can be resolved once and for all. Regarding limitations caused by a shortage of proficient personnel, this problem should be resolved in various ways." Xue Ju said that while hiring some essential personnel, Zhang Qingyong should also hire "part-time engineers who work on Sunday" and step up training the people he needs. After hearing the views of other directors on the shortage of proficient personnel, Xue Ju said: "The provincial government has instructed universities and colleges to step up training foreign trade personnel. After a short-term training, those who are now working for enterprises and foreign trade companies will be sent to work on the international market so that they will have hands-on training there." [passage omitted]

**Zhejiang Commissar Interviewed on Reserve Duty**  
*OW051157 Hangzhou Zhejiang Provincial Service*  
in Mandarin 1000 GMT 2 Apr 88

[Interview with Ye Zheng, political commissar of the Zhejiang Reserve Division, by unidentified reporter on 2 April, place not given—recorded]

[Text] [Reporter] Commissar Ye, many people are greatly interested in the organization of reserve units in Hangzhou, Jiaxing, and Ningbo, which is now proceeding. May I ask you a few questions on their behalf?

[Ye] You may. We are ready to hold dialogues with interested people and establish relations with them.

[Reporter] Some people ask, since the state has trimmed its regular forces by 1 million, why is it still necessary to organize reserve units?

[Ye] The organization of reserve units does not contradict the trimming of the nation's regular forces. In time of peace, China's defense should have a combination of proficient but smaller regular forces on the one hand, and strong reserve forces on the other. This is because in time of peace, the mission of [word indistinct] is to develop productive forces, and the state cannot possibly spend a lot of money for maintaining huge regular forces. On the other hand, the state also cannot weaken its defense because of the reduction of (?regular armed forces). Under such circumstances, we must strengthen our reserve forces.

[Reporter] I see. Some other people ask if the organization of reserve units is unnecessary since the nation already has militia units.

[Ye] This issue cannot be viewed in that way. The combination of militia duty and reserve duty has been stipulated in the nation's conscription law. As a traditional institution, militia has played a positive role in various periods. However, the reserve units will be better than the militia units in terms of organization, weaponry, training, (?political consciousness), and capacity for mobilization. The most prominent feature of reserve units lies in the fact that they can be turned into regular forces. Only by so doing can [words indistinct] ordinary and special missions. The role played by reserve units cannot possibly be replaced by militia units.

[Reporter] I see. The directors and managers of some enterprises worry that production will be affected when their staff members and workers are required to join reserve units.

[Ye] This is a normal reaction. It is true that 75 percent of the reservists are enterprise workers. Normally, [word indistinct] these people have to take part in military training for a period between 30 to 40 days, as required by law. Then they must be prepared for calls to deal with any eventuality any time afterward. We must realize, however, that [word indistinct] reservists are well-organized people who have a strong capacity for shock projects and are highly proficient. When these advantages are given full scope, they will produce good economic returns. Such being the case, such a worry (?is not necessary).

[Reporter] I see. That's all for today, Commissar Ye. Thank you for answering our questions.

**Mining Enriches Poor Zhejiang Communities**  
OW050938 Beijing XINHUA in English 1247 GMT  
4 Apr 88

[Text] Hangzhou, April 4 (XINHUA) — Joint mineral exploitation by geology and mineral resources departments and local villages has brought about remarkable results in the poor mountainous areas of Zhejiang Province.

Xu Xingguan, vice-governor of the province, said today that the mountainous areas in Zhejiang are rich in mineral resources, especially non-metal minerals such as alumstone, [word indistinct], fluorite, pyrophyllite and granite.

He said that the provincial government decided to allocate 10 million yuan in special loans annually for four years from 1987 to support joint mining and related mineral processing by the geology and mineral resources departments, and local villages.

He pointed out that the departments and the local villages have set up close ties of cooperation in joint mining. This has increased the income of the peasants and has promoted the development of local industry and the economy of the mountainous areas.

## Central-South Region

**Guangdong Leader on Government Work Efficiency**  
HK061218 Guangzhou Guangdong Provincial Service  
in Mandarin 1030 GMT 1 Apr 88

[Text] A provincial meeting of secretaries general and office directors from government departments was held from 29 to 31 March in Guangzhou.

The meeting relayed the State Council's views on information work, the legal system, and office automation within government departments. It also discussed the new tasks set for government offices and departments under the new situation of reform and opening up.

In his speech at the meeting, a leader from the provincial people's government stressed: Government offices and departments are units engaged in handling government affairs. They must strive to raise work efficiency. They must change their functions; simplify government working processes; transfer power to lower levels; successfully regulate functional relations between government departments and related nongovernmental departments; take the needs of their work as their starting point; readjust internal organs rationally; and strengthen the forces engaged in making investigations and studies, carrying out information work in the legal system, and handling official documents. At the same time, they must do what they are capable of and gradually strengthen the modernization of the means of handling official business in a planned way, with the purpose of regularizing office work with a set of procedures and through scientific means.

**Guangzhou To Start New Stock Exchange Business**  
OW070855 Beijing XINHUA in English 1225 GMT  
6 Apr 88

[Text] Guangzhou, April 6 (XINHUA)—Guangzhou Trust and Investment Corporation under the Industrial and Commercial Bank of China will open its stock trading business as of April 8, according to a press conference held by the corporation here today.

This will be the third monetary institutions to have such a business in the capital city of Guangdong Province.

So far, the Guangdong branch of the People's Bank of China has given approval to five monetary organs for opening over-the-counter stock exchange business. Two have gone into operation while another two are making preparations.

Guangzhou is one of the pilot cities to carry out monetary reform. Up to now, various banks have issued 1.4 billion yuan of bonds, transferable large-face-value fixed deposit certificates and state treasury bonds.



In addition, 667 enterprises have issued 207 million yuan worth stocks and bonds.

**Report on Export-Oriented Shenzhen Publisher**  
*HK061130 Hong Kong ZHONGGUO TONGXUN SHE*  
*in Chinese 1111 GMT 4 Apr 88*

[Report: "Shenzhen Publishes Many Works Written by Hong Kong and Taiwanese Writers"]

[Text] Hong Kong, 4 April (ZHONGGUO TONGXUN SHE)—According to a news dispatch from Shenzhen, the Haitian Publishing House, the only publishing house in Shenzhen, has published a variety of literary works written by Hong Kong and Taiwanese writers. The sales volume of these books, which are welcomed warmly by local readers, is high, numbering from 30,000 to 300,000.

On the occasion of marking the 3d anniversary of the Haitian Publishing House, its responsible persons, Yang Zuokui and Lu Bingwen, told the reporter that the house had published six kinds of Hong Kong and Taiwanese literary works, including the novel "A Moonless Night" by Hong Kong writer Yi Shu and the novel "The Story of Niutu Harbor" by Taiwan writer Wang To, and their sales volume was over 30,000. The book "Hong Kong Kaleidoscope," written by Hong Kong writer Feng Weitsai and depicting changes in Hong Kong's local conditions and customs, is the most popular. After the first 200,000 copies were sold out last August, an additional 100,000 copies were recently distributed. All this reflects that readers on the mainland are eager to know Hong Kong.

It is said that the publishing house recently published three additional volumes of literary works written by Taiwanese writers and five volumes written by Hong Kong writers Tung Jui, Tao Jan, Tung Yang, Ku Chien, and Mei Tzu.

Since its establishment, the Haitian Publishing House has continued to expand. It has published nearly 100 kinds of books, with a total of 2.5 million copies. It is striving to turn itself into a export-oriented publishing house in an effort to exchange economic, scientific, technological, and cultural information with other countries and regions.

It is now trying to publish more books through different channels in cooperation with Hong Kong publishing houses and distributors.

**Hainan Island Farmers Look to Future**  
*OW070101 Beijing XINHUA in English 0730 GMT*  
*5 Apr 88*

[Text] Beijing, April 5 (XINHUA)—With Hainan Island's prospects looking very promising, local farmers have expressed some hopes for the future, today's "GUANGMING DAILY" reported.

Farmers expect more low-interest loans from the state. At a recent meeting on developing the island's rural areas an official from Hainan's Qionghuan County said, some 660 hectares of beach in his county are suitable for breeding seafood, but have not yet been developed because of a shortage of funds.

More qualified people and modern technology are needed in Hainan's rural areas. One family on the island has raised 1,000 poisonous snakes, but needs help in processing the venom. The family is interested in expanding their business because on the international market one gram of snake venom is worth thousands of U.S. dollars.

Hainan needs more organizations and channels to distribute information to local farmers. The island's economy will be regulated by the market after being granted province status, but in rural areas, especially remote locales, production has been hard to organize because farmers are not up to date on the latest market information.

Better energy supplies are also called for on the island. The processing industry is popular in the Yangshan District of Hainan's Qionghuan County, but shortages of electricity have restricted the industry's development. One town in the county's Donglu District opened a furniture factory 1 year ago, but has not been able to start operation because of insufficient electrical supplies.

Hainan Island, where agriculture is the backbone of the economy, will soon be the country's 31st province and the nation's largest special economic zone, which will operate under the most flexible policies in the nation.

**Preparatory Group Discusses Hainan Development**  
*OW060921 Beijing XINHUA in English 1502 GMT*  
*4 Apr 88*

[Text] Haikou, April 4 (XINHUA)—Hainan Island, scenic and rich in natural resources, is soon to be named a province and the nation's largest special economic zone (SEZ).

With a view to determining the prospects for Hainan's progress, XINHUA interviewed officials from the preparatory group for setting up the new SEZ.

On the plus side, they said, the island has an area of 33,920 sq km and plenty of rainfall. It is consequently rich in tropical plants, fruits and precious timber.

Besides, with a coastline of 1,528 km and fishing ground of 88,000 sq km, marine aquatic products abound in the region.

Varieties of minerals account for about half of the national total of [words indistinct].

Tourism potential is likewise one of the island's bright spots, as convenient communications link it with other countries and regions, including Hong Kong, Singapore and Southeast Asia.

The most important thing, the officials said, is that Hainan is slated to receive priority in development policies by the central government over the other SEZs.

But problems also exist in the region, they pointed out.

About one sixth of the total population of 6.15 million people there are still poverty-stricken, and the industrial development on the island lags far behind that of other coastal areas due to shortages of energy and skilled personnel.

**Henan Leaders At Discipline Inspection Meeting**  
*HK070349 Zhengzhou Henan Provincial Service*  
*in Mandarin 2300 GMT 6 Apr 88*

[Excerpts] A provincial discipline inspection work conference was convened in Zhengzhou on 6 April. The main agenda of the meeting consists of studying and implementing the spirit of the 2d Plenary Session of the 13th CPC Central Committee, the 2d Plenary Session of the Central Discipline Inspection Commission, and the 7th Enlarged Plenary Session of the Henan Provincial CPC Committee, and studying and making arrangements for work in 1988. Leading comrades of the provincial party committee Yang Xizong, Cheng Weigao, Lin Yinghai, Zhang Zhigang, and Zhan Jingwu attended the meeting on 6 April. Comrades Yang Xizong and Cheng Weigao made important speeches.

Lin Yinghai, secretary of the provincial Discipline Inspection Commission, delivered an important report entitled "Apply the spirit of the 13th party congress to unify thinking, concentrate forces to take good care of party discipline, and help the party committees to improve party style." Lin Yinghai spoke on the following four topics: 1) Implement in depth the spirit of the 13th party congress and further [words indistinct] support the reforms; 2) concentrate forces to take good care of party discipline; 3) help the party committees to improve work style; 4) strengthen the building of the discipline inspection force.

Lin Yinghai said: Reform and opening up is the party's general guideline and policy. To do a good job in supporting and guaranteeing reform, we must [words indistinct] become familiar with and participate in reform, and do a good job in handling cases of sabotaging the reforms. [passage omitted]

Comrade Yang Xizong expressed the hope that the discipline inspection organs will, as in the past, support and guarantee the reforms. All departments of the party committees must shoulder their responsibility in improving party style. Leading party-member cadres in

the administrative departments must also help the party committees improve work style, proceeding from their own characteristics and actual conditions. [passage omitted]

Cheng Weigao said: To boost Henan's economy, we cannot relax for a moment the party's discipline inspection work and the work of giving party members, especially leading party-member cadres, education in party spirit and in organizational discipline. The more we carry out reforms and open up, and the more we stress economic invigoration, the more must we step up discipline inspection work. [passage omitted]

**Henan Meeting on Development of Enterprises**  
*HK051450 Zhengzhou Henan Provincial Service*  
*in Mandarin 2300 GMT 4 Apr 88*

[Excerpts] The Henan provincial work conference on township and town enterprises under the auspices of the provincial party committee and people's government was held in Zhengzhou yesterday morning. Present at the meeting were Yang Xizong; Cheng Weigao; Hu Xiaoyun; Song Zhaosu; Liu Yuan; and other provincial party committee and government leaders; as well as persons responsible for the relevant commissions, departments, and bureaus directly under the province; leaders at the prefectural, city, and county levels; responsible people of 13 township governments where industrial output value is over 100 million yuan; and more than 50 outstanding peasant entrepreneurs.

The meeting was presided over by Hu Xiaoyun, deputy secretary of the provincial party committee and vice governor of the province. He said: The current developments of township and town enterprises are encouraging. The province's output value of township and town enterprises in 1987 amounted to 32.65 billion yuan, an increase of 31.4 percent over the previous year. There have been 108 counties and areas where industrial output value is over 100 million yuan, 100 townships and towns where industrial output value is over 50 million yuan, and 128 villages where industrial output value exceeds 10 million yuan. [passage omitted]

He also said: The major role of township and town enterprises and their potential for development have been clearly seen in the rural areas and throughout the economy. However, there are also many contradictions and problems in the development of township and town enterprises. Enterprises that can enter the international market and markets in the developed areas of the country are very few. Most of them can only produce run-of-the-mill goods. In a large number of areas, township and town enterprises have just started developing. To promote the development of township and town enterprises, we must further emancipate our minds, raise our understanding, study countermeasures, and ascertain our tasks. [passage omitted]



**Hubei Prefecture Calls for Vigorous Development**  
*HK061230 Wuhan Hubei Provincial Service*  
*in Mandarin 1000 GMT 2 Apr 88*

[Text] To meet the needs of the coastal economic development strategy, Yichang Prefecture called recently for giving play to the strong points of good waterways of the Changjiang, for developing vigorously the economy in the 24 cities and towns along the Changjiang, and for building them into an economic corridor along the Changjiang.

The length of the Changjiang in Yichang Prefecture is about 230 km, and some 24 cities and towns are located along this part of the river. These cities and towns have some geographic and communications advantages, but they have not yet been well developed for various reasons. Now the per capita shares of various economic indices in these cities and towns are only slightly higher than the prefecture's averages, and much can be done to increase the shares.

In late March, the Yichang Prefectural party committee and administration office held a meeting of leaders from the 24 cities and towns along the Changjiang to study especially and discuss measures to develop the economic belt along the Changjiang and build an economic corridor along the Changjiang. The meeting decided that the cities and towns must take the road of developing the processing of cotton, tangerines, and other agricultural and sideline products and the processing of mineral products simultaneously. The meeting also formulated preferential policies that can help the cities and towns open up to the world, extend the management scope of power organs at the town level, adopt preferential policies toward investors from other provinces and foreign countries.

These cities and towns are now organizing cadres and the masses to earnestly study, change ideas, properly conduct investigations, and formulate feasible and practical plans.

**Hubei Advisory Commission Holds Session**  
*HK060653 Wuhan Hubei Provincial Service*  
*in Mandarin 1000 GMT 4 Apr 88*

[Excerpts] The eighth plenary session of the First Hubei Provincial Advisory Commission was held in Wuchang from 22 to 26 March.

Some 46 members of the provincial Advisory Commission attended the session, and 10 members were absent because of sickness or personal matters. Zhao Xinchu and Han Ningfu, members of the Central Advisory Commission now in Wuhan were invited to attend the session as observers.

The session relayed and studied the spirit of the 2d Plenary Session of the 13th CPC Central Committee. During the session, provincial party committee Secretary Guan Guangfu and Deputy Secretaries Zhao Fulin and Qian Yunlu had a discussion meeting with the members of the provincial Advisory Commission.

Xu Daoqi, chairman of the provincial Advisory Commission, presided over the session and summarized and reviewed the work done by the commission over the past year. [passage omitted]

After the discussion meeting with the members of the provincial Advisory Commission, Secretary Guan Guangfu delivered a speech.

He said: Since its establishment, the provincial Advisory Commission has conducted many investigations and put forth many good suggestions, greatly assisting the provincial party committee in its work and acting as a good assistant and advisor. The provincial party committee must further care for and support the provincial advisory commission. I hope that veteran comrades would make more contributions to invigorating Hubei's economy.

Guan Guangfu pointed out: The provincial Advisory Commission is a brain trust as well as a powerful support for the provincial party committee. In the future, the commission must continue to play its role. [passage omitted]

At the conclusion of the session, (Wang Kewen) spoke of concrete suggestions on working methods of the provincial Advisory Commission and on how to meet the demands raised by the provincial party committee on the work of the commission.

**Hubei Conference on Township Enterprises**  
*HK061110 Wuhan Hubei Provincial Service*  
*in Mandarin 1000 GMT 4 Apr 88*

[Text] At a provincial work conference on township enterprises that concluded yesterday, provincial party committee Deputy Secretary Qian Yunlu stressed that in implementing the strategy of making the central part of the province rise economically, township enterprises must shoulder heavy responsibilities.

The conference was held in Wuchang from 1 to 3 April.

During the conference, Deputy Secretary Qian Yunlu and Vice Governors Wang Hanzhang and Xu Penghang had a discussion meeting with some participants and spoke.

In his speech, Qian Yunlu said: Last year, the output value of the province's township enterprises exceeded the province's total agricultural output value; the province transferred nearly 4 million of surplus rural laborers to other trades. This was a historic breakthrough. There have appeared in the province a number of prefectures,

cities, counties, and farms which have done well in developing township enterprises, and some peasant entrepreneurs have emerged. This is a marvelous achievement.

He said: In terms of vertical comparison, we have achieved marked results; and in terms of horizontal comparison, the gap between Hubei and the coastal provinces is still very wide. Therefore, we must have a sense of urgency in developing township enterprises and must adopt resolute measures. We must continuously implement the policy of vigorously and steadily developing township enterprises and supporting the development of township enterprises and must implement a series of current preferential policies flexibly and fully that can support the development of township enterprises, so as to strive for further development and better economic results in this respect this year.

Qian Yunlu said: To seek new development, township enterprises must achieve two separations, namely, the separation of government organs and enterprises, which can make enterprises independent, and the separation of ownership and management power, which can encourage enterprises to institute boldly the contracted management responsibility system. We must develop vigorously various ownerships, economic patterns, and distribution patterns. We must get rid of the rigid idea that sets developing township enterprises against developing agriculture; promote one another; and invigorate industry while steadily developing agriculture. Township enterprises must make improvements in opening up to the outside world and develop an export-oriented economy. It is necessary to bring into full play the role of able persons in the rural areas and to enthusiastically bring up and cultivate a large number of peasant entrepreneurs. We must introduce boldly technology and science and technology personnel.

Vice Governor Wang Hanzhang delivered a report at the conference.

The conference also commended 207 advanced units of township enterprises and 804 advanced individuals in developing township enterprises.

**Hubei's 'Adverse Change' in Rural Labor Forces**  
*HK060906 Wuhan Hubei Provincial Service*  
*in Mandarin 1000 GMT 5 Apr 88*

[Text] There has been an adverse change in the rural labor forces of our province. According to a survey of rural labor forces in 72 counties of our province, over 470,000 people previously engaged in industry and commerce returned to their rural areas last year to engage in agricultural production. As a result, the proportion of labor force in the rural primary industry rose to 80.81 percent, an increase of 6.3 percent compared with the previous year. This is the first major increase in this regard following the readjustment of the rural industrial structure in our province.

Shifting agricultural labor forces to nonagricultural industries has been the general trend of economic development at home and abroad.

There are three major reasons for the large increase of labor forces in our rural primary industry: First, there has been a marked slowing down in the rural second and third industries' absorption of surplus rural labor forces.

Second, the rise in the costs and prices of funds, technology, and raw and processed materials, and some other factors have restrained township and town enterprises from absorbing rural labor forces.

Third, the relatively low educational and technical standards of the rural labor forces have restricted the prompt shifting of rural labor forces.

According to a survey, the existing surplus rural labor forces now exceed 3.7 million people, with the surplus rate reaching 22 percent.

In the next few years, our province will continue to have a high growth rate of labor forces, with an annual emergence of 600,000 to 700,000 new workers.

Therefore, leaders at all levels must adopt positive measures, create favorable conditions for the shift of rural labor forces, and gradually rationalize the disposition of rural labor forces in our province.

**Hunan Circular on National Defense Education**  
*HK060817 Changsha Hunan Provincial Service*  
*in Mandarin 0100 GMT 5 Apr 88*

[Text] On 1 April, the provincial party committee, the provincial people's government, and the provincial Military District jointly issued a circular to all prefectures, cities, and counties on a suggestion jointly made by the provincial party committee's Propaganda Department, the provincial Education Commission, and the provincial Military District's Political Department for conducting extensive education in national defense among citizens throughout the province.

The circular demands that all areas regard education in national defense as one of the important tasks aimed at implementing the spirit of the 13th National Party Congress and as an important long-term task running through the initial stage of socialism, and that all areas actively and successfully carry out this education.

The circular notes: Education in national defense is an important component part of the whole people's education, and is intended for every citizen. To begin with, we must pay special attention to providing this education for children. In conducting this education, we must put the stress on cadres and particularly leading cadres. The principal targets of this education are members of the militia and young people.



To achieve tangible results in conducting education in national defense in peacetime, the provincial party committee, government, and Military District demand that all areas establish and perfect an overall, comprehensive educational system in this regard. Party and government organs, factories, mines, enterprises, and units, as well as universities, and middle and primary schools must set aside a special period every year for conducting education in national defense. In addition, it is imperative to rely mainly on classroom education in this regard while carrying out necessary relevant supplementary activities.

### Southwest Region

**Sichuan Farmers Hire Household Maids**  
OW061141 Beijing XINHUA in English 1606 GMT  
6 Apr 88

[Text] Chongqing, April 5 (XINHUA)—A 50-year-old woman in a village on the outskirts of Chongqing hired a housemaid recently to look after her seven-month-old grandson and act as a housekeeper.

She did this so that she could devote more time to running the fishpond she contracted from the local production brigade, as well as working part-time in a nearby teahouse.

"Though the 30-yuan monthly salary is not very much, my employer treats me very well," said the maid, who came from a poverty-stricken mountainous area.

More than 100 families in the 6,000-household Baqiao Township, in populous Sichuan Province, have employed housemaids with the help of the local women's federation, said Yu Ling, an official in charge of the township's women's affairs.

Yu said that the practice of "men working outside and women staying at home" existed in China for thousands of years.

But with the development of the commodity economy in recent years, more and more housewives have escaped from the kitchen and found jobs in township enterprises or have engaged in other industrial work.

To date, half of the able-bodied workers in Baqiao Township have left the fields to take part in non-farming production.

As a result, nearly 20 percent of the households in the township earned more than 10,000 yuan last year, and the increased family income has made it possible for more rural residents to hire housekeepers.

A woman physician in rural Sichuan Province found it impossible to run her clinic and her household at the same time when she gave birth to twins early this year.

Finally she solved the problem by hiring a middle-aged rural woman to look after the baby twins and share other household chores.

To meet the growing need, the township Women's Federation set up a household service company in 1985.

"Most applicants are country girls who can no longer find employment on the farms," said Yu.

They have to hand in recommendation letters from their hometowns and have physical check-ups. Contracts are signed between employers and housemaids in advance.

To date, hundreds of such housemaids have found vacancies in 21 counties in Sichuan.

Girls who are educated and able to sing and dance are welcomed, for they can serve as family tutors at the same time, Yu said.

**Hong Kong Paper Interviews Dalai Lama**  
HK070825 Hong Kong HONGKONG STANDARD  
in English 7 Apr 88 pp 10, 11

[First of an "Exclusive five-part series" interview with the Dalai Lama by STANDARD special writer Jackie Sam and pictorial editor Marc Follander, at the Dalai Lama's mountain retreat in northern India, "just prior to his departure for London"—passages in boldface as published]

[Text] The Dalai Lama, who is revered as a god by Tibetans, has been in the news since demonstrations broke out last October and again last month. Beijing has accused him of stirring up the anti-Chinese riots.

Nevertheless, the Dalai Lama says contacts with Beijing is being maintained. He is confident of new developments soon and, understandably, is reticent about specifics. The salient points he made in this interview are reproduced below. —Hong Kong and 1997:

I am someone who has already gone through an unpleasant experience. So, naturally, I have feelings of concern for another community.

We are going to see quite a big change in the situation. I hope such a horrible thing as we experienced will not occur in Hong Kong.

But, over all, the Chinese attitude or concept is changing for the better.

There are hopeful signs. —Contacts with China:

Yes, there have been contacts through some of the officials and, recently, through my brother (Gyalo Dhondrub, a businessman based in Hong Kong). This happened just before and after the October 1 riots.

Despite their harsh words, the Chinese still want to keep our dialogue going. I don't know about China's motives. As far as my own beliefs are concerned, human contact is very, very important. Especially in our case.

Our strength lies in our moral stand which has reason, logic, truth. We need to use these in our struggle, not resort to violence. —His hopes arising from these contacts:

The climate is now conducive for discussions, for explaining our view-point to the Chinese. Previously, in the 1950s and 1960s, they may have smiled but when the dialogue became really serious, then there were hardly any discussions. Now much has changed. I think one important factor is that we are not in their hands. (Here the Dalai Lama roars with laughter.)

Seriously, we have to deal with China. Our country is occupied by China. We must carry on the struggle for our rights.

But, generally, the world is changing. The Soviet Union and other communist countries are passing through a new period. China, too, especially after its 13th Party Congress.

Younger people are in power; there's more human face. That's why it's so important to keep in contact, to keep explaining our view-point.

The Chinese side, unfortunately, doesn't know what is Tibetan history, what is Tibetan culture and what is happening after their so-called liberation. Many Chinese feel they have liberated Tibet from the Dark Ages. Very dark ages.

They have built many roads, schools...nobody can deny these developments. But the problem is the amount of development and the amount of destruction is not comparable.

Destruction of monasteries, monuments...about 6,000 monuments destroyed. Just a few remain and even those are in very bad shape. Then, you see, Tibetan culture...what has happened is unimaginable.

Then there is the suffering of the people. Now, that is very sad. 433,000 killed in fighting, 343,000 died of starvation, 173,000 died in prison, 157,000 executed, 93,000 driven to suicide. Altogether about 1.2 million.

As I said, the Chinese don't know what is happening in Tibet. In order to rectify these things, we have to go about it with patience, determination and closer contact. —The effects of China's reforms on Tibetan people:

China is the most populated country in the world. If there is more peace, more prosperity, it affects millions of souls. There is a possibility that a time will come when

China and Tibet will live together side by side as equals, possibly sharing one another's problems and working together to create a better world.

Today so much has changed in this world. In the 1960s and 1970s some things were unthinkable. In the Soviet Union...look at some of the small minorities...what they are doing. This is a new phenomenon in communist countries.

One good thing is the leaders are admitting their past policies were too rigid and that they have lost contact with the masses. There's more human face. —The way out of the current impasse:

We are trying to find some sort of middle way. We don't want to remain under Chinese domination. Tibet should be independent. We have a right to expect this freedom.

But at the same time the Chinese are already occupying Tibet. It is very, very difficult for them to leave Tibet. Therefore, it is worthwhile to think of some middle path.

Theoretically it is possible. I have said on many, many occasions that human relations keep changing. Under one set of circumstances, certain communities or nations combine as one country. Under another set of circumstances they divide and become separate communities.

The major factor or the essential thing is that the people should benefit from it, whether they separate or come together. So, theoretically, we six million Tibetans may get better or more benefits if we join up with these thousands of millions of Chinese rather than be a separate country.

I am really concerned only with the benefits to the Tibetan people. So far, as a result of Chinese domination, we say that if these present conditions remain, the only alternative is to separate.

We have every right to be happy, as the Chinese have every right to be happy. But the Chinese are determined to remain and we must try to find a middle way. — Possible developments after last month's riots:

We shall see. Something will happen within the next two months, I'm sure of that. —His five-point peace plan towards this middle way essentially by making Tibet a nuclear-free zone of peace and withdrawal of all Chinese:

The Chinese are deeply suspicious and they have read my proposals in the light of such suspicions. They need to understand that I am trying to contribute to world peace. If Tibet becomes a zone of peace there will be no confrontation between India and China. I am certain the Indians will withdraw from the border.



If anything goes wrong, what is there to prevent China from marching in again? We are the victims, nobody can argue with that. Why should we want to do anything to incur China's anger again after creating a zone of peace and non-violence?

Now is the time for a conciliatory gesture from the oppressive Chinese side. —On recent demonstrations making this search for a middle path more difficult:

You have to see these things on two levels. The immediate impact is they make the Chinese more irritated. They get tough. But in the long term, I think the Chinese will be compelled to take note of the Tibetan people's resentment of Chinese rule.

The problem is not the Dalai Lama. Obviously if the majority of the people are loyal to China, even if I want to make trouble it would be impossible.

So, clearly, there is deep resentment in Tibet.

I have always regarded myself as the free voice of the Tibetan people. My superiors are the people of Tibet. Now they have spoken very clearly. Any explanation from me is not necessary. —The relatively small numbers of people involved in recent demonstrations in Lhasa:

I think it is due to a lack of communication and too much fear. Over the last few years many people from all parts of Tibet have come over to India, with Chinese permission, to see their relatives. And they come to see me.

They cry when they see me. They complain about their hardships and the destruction. Practically every Tibetan home has experienced one or two family members killed or tortured. So I can tell you almost 95 percent if not 99 percent of Tibetans are very much against Chinese domination. —Bejjings accusing him of being behind the recent anti-Chinese demonstrations:

We are basically a Buddhist community. We have never had any ill-feelings towards the Chinese. We are not anti-Chinese and we are not anti-communist. We are not anti-reforms. We are only trying to regain our rights.

Those demonstrators were not anti-Chinese. The Chinese forces are in Tibet. Bullying Tibetans. Discriminating against Tibetans. They demonstrated simply because they want to remove these occupation forces.

After all, we never went to China to kill Chinese or destroy Chinese monuments. The Chinese came into Tibet. But still, as Buddhists, we pray especially for the Chinese. —The growing impatience of a new generation of Tibetans in exile:

Yes, these young people argue with me a lot about these things (a global terror campaign along the lines of the Palestine Liberation Organisation). Sometimes they blame the Dalai Lama.

But I believe that if tomorrow Tibetans follow the path of violence, that would be suicide. We are a Buddhist people. Non-violence is the only way for our cause.

If we follow violent methods, then the Chinese will find it easy to crush us. We must reason with them. When confronted with reason, the Chinese always go on the defensive. This is because their position is very weak.

Violence is not in our interests. But the impatience among the young Tibetans is growing. So, after me, I don't know what's going to happen. —The next Dalai Lama:

The institution of the Dalai Lama is not important. Whether there should be a Dalai Lama after me is for the people to decide.

The Chinese side has always said that the Dalai Lama is the problem, that there is no such thing as a Tibet problem, and that people in Tibet are very happy under Chinese rule. They say the Dalai Lama wants to restore the old feudal system.

So in 1969 I formally declared that this institution of the Dalai Lama is unimportant. I am not at all concerned about my future. The Tibetan people will decide. If they feel there is no longer a need for this institution, then there won't be another Dalai Lama.

I am only a monk. Nobody can change that. Nobody can take this away from me. As a leader or as a Dalai Lama...this is only a man-designated position. If the Tibetan people want a Dalai Lama, there will be a Dalai Lama, if they have no need for one, there will never be another Dalai Lama. —Impact of the modernizing process on the new generation of Jean-clad Tibetans:

There are two aspects to preserving our culture. Those things which are beneficial, we should keep alive. Like our medical practices. We can and we shall succeed.

There is another aspect, like the way people speak, dress, behave. These things are of no value, we cannot preserve them. And there is no need to. they will remain in history books as part of our history.

Young Tibetans, especially the boys, are like young people all over the world today. But among the younger Tibetans today there are many more who have stronger faith in their religion.

**Tibetan Leader Stresses Antiseparatism**  
**HK061058 Lhasa Tibet Regional Service in Mandarin**  
**1130 GMT 5 Apr 88**

[Excerpts] On the afternoon of 4 April, the autonomous regional party committee held at the office of the committee's United Front Work Department a meeting of nonparty patriotic personages to study and discuss Comrade Zhao Ziyang's important speech delivered at the 2d Plenary Session of the 13th CPC Central Committee.

Attending the meeting were Basang and Danzim, deputy secretaries of the autonomous regional party committee; Yang Houdi, secretary general of the autonomous regional party committee; and responsible persons from the regional party committee's United Front Work Department. [passage omitted]

In his speech at the meeting, Danzim said: Party committees at all levels must spend 2 months conscientiously organizing the vast numbers of party members, cadres, and people to study the documents of the 13th National Party Congress, the spirit of the 2d Plenary Session of the 13th CPC Central Committee, as well as the documents of the 7th People's Congress and the 7th CPPCC National Committee. In close connection with our real conditions, we must conscientiously strengthen the work of safeguarding the unity of the motherland and the education in unity of all nationalities. These are very important tasks and must be carried out successfully. Our organs must conduct education in the struggle against separatism. In addition, we must do well in carrying out propaganda and educational work in the grass-roots agricultural and pastoral areas. [passage omitted]

**North Region**

**Beijing To Hold First International Fair in 1989**  
**HK070941 Beijing CHINA DAILY in English**  
**7 Apr 88 p 2**

[By staff reporter]

[Text] The first Beijing International Fair (BIF) is to be held in the capital next year in a bid to seek agreements on international co-operation.

Sponsored by the China Council for the Promotion of International Trade (CCPIT), the fair will run from July 14 to 23.

Lu Fengcun, head of the China International Exhibition Centre (CIEC), said the fair will enable China to strengthen its co-operation with other countries since its economic and technological exchange with other countries is limited at present and its trade volume accounts for only a small proportion of the world total.

He said exhibitors from different countries and regions will be invited and the fair, which will be held at the China International Exhibition Centre, will provide an opportunity for people at home and abroad to explore the possibility of co-operation.

About a million Chinese visitors are expected to attend and CCPIT will issue invitations around the world and provide services for visitors holding trade negotiations during the fair.

**More Beijing Families Acquire Private Telephones**  
**OW061440 Beijing XINHUA in English 1154 GMT**  
**6 Apr 88**

[Text] Beijing, April 6 (XINHUA)—Telephones, which used to be a symbol of power and influence in China, are now commonplace in the homes of many families.

Recent statistics from the Beijing Urban Telephone Bureau show, as of the end of last year, more than 13,886 Beijing households have had telephones installed at their own expense.

In the past, only government officials had telephones in their homes, and this service was provided free of charge.

Even in 1986, only 5,910 families had telephones in Beijing, a city with a population of 10 million.

In recent years, the average per capita income has been on the rise and after buying a color T.V., refrigerator, washing machine and tape recorder, many families want to have their own telephones to expand contacts and improve work efficiency.

According to statistics, last year Beijing opened 12 telephone offices and added 90,693 customers, but 12,374 families are still waiting to have phones installed.

**Tianjin Achieves Improved Industrial Development**  
**OW070813 Beijing XINHUA in English 1312 GMT**  
**5 Apr 88**

[Text] Tianjin, April 5 (XINHUA)—Tianjin's industrial output went up 8.2 percent in the first three months of this year, compared with the same period of 1987, topping the planned rate of six percent, the municipal Statistics Bureau announced today.

In March the city's industrial output value was 2.9 billion yuan (about 800,000 billion U.S. dollars), bringing the total for the first quarter to 8.1 billion yuan.

Interestingly, sectors of all ownerships — by the whole people, collective and individual — increased equally. The increase rate for rural industry was 33.4 percent.



Big increases were registered in the output of goods that have ready market, such as canned food, blankets, television sets, cameras, washing machines and refrigerators.

Factors contributing to the increase included better supplies of raw materials and energy, more advanced techniques and improvement of responsibility systems, the official said.

**Tianjin Workers To Appraise Plant Officials**  
OW060625 Beijing XINHUA in English 1546 GMT  
3 Apr 88

[Text] Tianjin, April 3 (XINHUA)—Workers in this north China port city can now truly have a say in deciding whether a factory official should be promoted or demoted.

In 1987, the local authorities commended 1,535 factory officials and removed 229 others from their posts according to rank-and-file appraisal of their performance.

Such appraisal is made at the annual session of the factory's Congress of Workers' Representatives. At the session, the factory director reports his work to the representatives, and this is followed by a vote of confidence, according to city officials.

The director is obliged to make a self-criticism and improve his work when he fails to win the confidence of the majority.

If the director cannot gain the forgiveness of the workers within a time limit, he will be dismissed from his post.

City officials describe the workers as "impartial" in their appraisal, citing the example of a plastics factory where workers proposed that their director be given 1,350 yuan in additional bonuses.

The factory used to lose money, but is now making profits under Director Zhang Shilun, who runs it on a contractual basis.

**Tianjin To Make More Compacts, Light-Duty Trucks**  
OW061055 Beijing XINHUA in English 1508 GMT  
6 Apr 88

[Text] Tianjin, April 5 (XINHUA)—Tianjin will invest 300 million yuan (including 80.88 million U.S. dollars in foreign exchange) over the next five years in production of compacts and light-duty trucks, an official of the Tianjin Motor Vehicle Industry Company revealed today.

The investment will be used to complete the building of a plant for compacts and update models, he said.

When the projects are completed, the city's annual output of small trucks and cars, light-duty trucks and small buses will reach 90,000.

This year, it plans to produce 20,000 compacts and 30,000 engines.

Its output of light-duty trucks and small tourist buses rose from 4,000 in 1982 to 30,000 last year.

**Tianjin Becoming 'City of Senior Citizens'**  
OW070809 Beijing XINHUA in English 1245 GMT  
5 Apr 88

[Text] Tianjin, April 5 (XINHUA)—Tianjin will have become a city of senior citizens by 1989, according to proceedings from a recent local government work session on the aged.

By international standards, a city of senior citizens is one with no less than 10 percent of its residents at and above 60.

At the end of 1985, Tianjin, one of the three municipalities directly under the central government, had 759,000 senior citizens, 9.44 percent of its population.

At the end of 1986, the number reached 786,000, accounting for 9.65 percent of the city's whole population.

The ratio is expected to reach at least 10 percent next year at the present rate of increase of 0.21 percent for senior citizens.

**Northeast Region**

**Heilongjiang Reforms Higher Education Systems**  
SK061335 Harbin Heilongjiang Provincial Service  
in Mandarin 1000 GMT 5 Apr 88

[Text] The provincial higher educational work conference which concluded yesterday pointed out: In accelerating and deepening reform, the province's institutions of higher education are faced with some major tasks. These are: to consolidate the achievements already scored in reform, to readjust and perfect the structure of higher education, to make efforts to improve teaching quality and efficiency, to strengthen the vitality and vigor of institutions of higher education, and to positively explore and establish an effective mechanism that suits the needs of economic and social development.

The suggestions of the provincial Educational Commission for accelerating and deepening the province's higher educational structural reform include the item that this year the institutions of higher learning should enroll more students who study at their own expense. Heilongjiang University, Jiamusi Engineering College, Heilongjiang Provincial Financial Specialized College, and Mudanjiang Medical College will enroll a total of 300

students who will study some specialities at their own expense. These students should pay a part of the training fees. After they graduate, these students will be allowed to select their jobs on their own instead of submitting to unified distribution. They may also be employed by various departments and companies on a selective basis with the recommendation of their universities and colleges. This year, the legal specialities of Heilongjiang University and the political and educational specialities of Harbin Teachers' College will try out enrolling examinees who have practical experience; the universities and colleges will make an assessment of the applicants who are recommended by their departments.

This year, in distributing graduates, we will continue to raise the proportion of students whose employment is based on the suggestions of universities or colleges. At Heilongjiang University, the provincial Traditional Chinese Medical College, and Harbin Physical and Sports College we will try out the system of having both universities and working units making the assessments. This year the province will also try out the method under which university graduates who have passed graduate school entrance examinations must work for their counterpart units for 1 to 2 years before they attend the master's degree program.

The provincial Educational Commission has decided to further perfect the system of employing teachers according to the need of specialities. The small number of excellent young teachers who have worked hard but who will be unable to be promoted to a higher grade in the second half of this year due to limited quotas should be allowed to work at the next higher grade in advance by receiving job subsidies. After they are formally promoted, the date of their promotion should begin from the day they began working for the next higher grade.

At the conclusion of the conference on 5 April, Vice Governor Huang Feng said: From now to the end of this century, the development of the province's higher education should be closely geared to the practical need of economic construction and social development. Meanwhile, we should gradually establish a network of higher education that is relatively rational in level, category, and structure so that the senior specialized talents trained by institutions of higher learning will basically suit the needs of the province's economic construction and social development in quantity, quality, category, and knowledge and will provide some valuable scientific and technological achievements for the theoretical and practical questions in building socialism.

Vice Governor Huang Feng said: Leaders at all levels of various schools should concentrate their major energy on improving teaching quality and should regard the improvement of teaching quality as the schools' central task. All school reform projects should be gradually

carried out around the endeavor to improve teaching quality. All schools should correctly handle the relations among teaching, scientific research, and scientific and technological services.

Vice Governor Huang Feng also set forth specific demands on implementing the present responsibility system, improving and strengthening the ideological and political work of the new period among institutions of higher learning, and successfully building the leading bodies of various universities and colleges.

**Governor Discusses Reforms**  
*SK060536 Harbin Heilongjiang Provincial Service*  
*in Mandarin-1000 GMT 4 Apr 88*

[Text] Today at the provincial higher educational work conference, Governor Hou Jie pointed out in his speech that it is necessary to deepen continuously the educational structural reform so that schools of higher learning can establish an effective mechanism that meets the needs of society for talented people of various specialities. He said: We should achieve a success in the reform of the education field, restructure higher education to suit the needs of society, and train specialized personnel of various categories and at various levels. More importantly, we should train applicable personnel at present. Based on the current provincial situation, we should train a group of ordinary specialized personnel within a short period of time. To raise the efficiency in running schools, we should carry out extensive cooperation in running schools. From now on, basically speaking, the province will not build schools of higher learning any more. Instead, it will increase the ability of the schools of higher learning for training talented people through cooperation in running schools.

Governor Hou Jie pointed out: To push our province's economy to a new stage, we should mainly rely on scientific and technological progress, and improving the quality of laborers. At present, on an average, every 42 township enterprises in the province have only 1 full-time technical personnel, and every 586 township enterprises have only 1 medium-grade full-time technical personnel. To change such a situation, we should actively develop higher education. Meanwhile, we should accelerate the process of opening the schools of higher learning to the economic sector and the society, fully develop the schools' advantages of having substantial scientific and technological forces and advanced scientific research and teaching facilities, further expand the cooperation of various forms among schools, scientific research institutes and production units, and organize schools as well as their teachers and students to go to the major battlefield of the economic construction throughout the province. The provincial party committee recently defined a series of policies to relax the control over scientific and technical personnel. Schools of higher learning may organize their scientific and technical personnel to carry out multiformed scientific and technical service in line with the regulations on the premise that



their teaching and scientific research tasks for the schools are fulfilled in good quality. Universities may also run scientific and technological enterprises.

Speaking on improving teaching conditions, Governor Hou Jie said: When making arrangements for this year's education funds, we should strive to make the amount equivalent to or exceed the amount of 1986. Localities and departments with a better financial situation may increase their education funds appropriately. We should implement conscientiously the policies on relaxing the control over scientific and technical personnel issued by the central authorities and the provincial party committee, and increase the income of teachers. The provincial government will increase every year the percentage of the investment made in the housing for teachers, and will strive to alleviate the shortage of housing for teachers within the next few years. We should give preferential treatment to teachers as far as medical care is concerned. The provincial government has decided to set aside some sickbeds of the large hospitals under the province for teachers with high-grade technical titles.

Governor Hou Jie called on governments at various levels, and various trades and professions to show concern for and support higher education, and to provide more conveniences within the framework of policies for the schools of higher learning to carry out cooperation in running schools.

**Heilongjiang Increases Fire Prevention Efforts**  
*OW051128 Beijing XINHUA in English 0748 GMT 4 Apr 88*

[Text] Harbin, April 4 (XINHUA)—Two top officials are in northeast China's Daxinganling Mountains to supervise the area's fire prevention efforts.

Deputies to the current National People's Congress, Gao Dezhan, minister of forestry and Hou Jie, governor of Heilongjiang Province, took leave from the meeting to go inspect the Daxinganling where a huge fire burned off 1.4 million hectares of trees and killed 200 people last year.

The Civil Aviation Administration of China (CAAC) has also dispatched 15 planes and 15 helicopters to assist in fire-prevention programs.

Local forestry bureaus in the neighboring Inner Mongolia Autonomous Region are also on the alert.

**Jilin Starts Readjustment of Cadre Structure**  
*SK060530 Changchun Jilin Provincial Service in Mandarin 2200 GMT 5 Apr 88*

[Text] The province has comprehensively started the work of readjusting the cadre structure. The office cadres to be streamlined will be transferred to the legislative, tax, price, and industrial and commercial administrative departments. These four trades are in need of more than 1,860 cadres this year.

At present, the general situation of the province's cadre structure is as follows: The township economic administrative departments are overstaffed with cadres but the economic supervision and mediation departments are short of them. While the number of office cadres at or above the county level accounts for a large proportion of the number of office cadres at the town and township level accounts for a small proportion. Thus, the cadre structure is still not suitable to the development of the commodity economy.

The major tasks for readjusting the cadre structure are to readjust the cadre distribution structure on the premise of trying every possible means not to increase the number of office cadres, to strengthen the ranks of the cadres among the legislative and economic supervision and mediation departments, to strengthen the construction of the ranks of grass-roots cadres, and to strengthen the forces of cadres on the forefront line. The readjustment of the cadre structure will be finished at the end of this year.

**Liaoning's Quan Shuren Inspects Fuxin**  
*SK060448 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 4 Apr 88*

[Text] On 2 and 3 April, Quan Shuren, secretary of the provincial party committee, and responsible comrades of relevant departments inspected work at Fuxin City. Comrade Quan Shuren said to some people who contracted the management of plants and shops: Reformers themselves should have a spirit of blazing new trails bravely. Society should also protect reformers. At present government organs are exercising too strict and too much control over enterprises. Therefore institutional reform should be accelerated to eliminate such a situation. We should work out ways to create a climate for the flow of talented people.

After listening to the reports by Zhang Huixin, secretary of the Fuxin party committee, and (Mao Min), vice mayor of the city, Comrade Quan Shuren said: Fuxin has adopted a very good measure of paying attention to the reform within enterprises, and the talented people outside enterprises simultaneously. Its large-scale application of the leasing system is a very successful experience, and should be summarized well so that the system can be continuously improved and intensified, and can coordinate with other supporting reforms.

Speaking on agriculture, Comrade Quan Shuren said: We will have difficulty in developing agriculture if we do not place science and technology in an important place of agriculture. We should also rely on science and technology in developing diverse undertakings and animal husbandry. Cadres, and scientific and technical personnel of Fuxin should also go to rural areas to contract for certain undertakings.

**Article on Development of Liaodong Peninsula**  
*SK050607 Shenyang DONGBEI JINGJI BAO*  
*in Chinese No 237 19 Mar 88 p 2*

[Article by Yu Zhixian (0060 3112 6343) entitled "Advantages, Problems, and Countermeasures on Development of Liaodong Peninsula"]

[Text] The current international economic situation and the current situation of Liaoning Province have both favorable and unfavorable aspects for opening to the outside world. So long as we size up the situation, accurately grasp the current political situation, take advantage of current favorable conditions, and avoid our weakness can we achieve success in opening Liaodong Peninsula to the outside world.

Viewing the international situation, we know that changes in the international division of labor pattern have provided Liaodong Peninsula with favorable opportunities to open itself to the outside world: 1) The advantages of manufacturing labor intensive products have being transferred from developed and industrialized countries and regions to some other developing countries. Like other developing countries, our country has notable advantages in this regard. 2) The international banking market has been flooded with idle money and many investors are looking for favorable investment sites due to the unstable foreign exchange markets over the past few years and the continuous depressing state of stock markets since last year. All this has provided us with favorable conditions for using foreign capital. 3) When the economic growth rate of developed capitalist countries is generally slowing down, the Asian-Pacific Area, including China, has constantly maintained a high economic growth rate. So, the focus of the world economy is turning toward areas around the Pacific Ocean. 4) Under pressure from the United States and Western Europe, Japan is beginning to open its domestic market and to change its economy dominated by export into one dominated by domestic market demands. This has provided us with a favorable chance to expand exports.

Liaoning has several advantages as follows: 1) Viewing the overall distribution of productive forces in China, we know that Liaoning is located in the eastern part with high economic and technological levels. The province has a comparatively abundant industrial foundation and fairly more science professionals and technicians. 2) The quality of laborers in Liaoning is much higher than some other places although their average wages are lower. 3) With rich natural resources, Liaoning plays a decisive role in the whole country in terms of some of its natural resources. 4) Liaoning has accumulated experiences in using foreign capital and running Sino-foreign joint ventures over the past few years.

However, we must notice that there are unfavorable factors brought about by foreign countries and the province itself. If we underestimate these unfavorable factors,

the progress of opening Liaodong Peninsula to the outside world will be affected. Unfavorable factors brought about to the province by foreign countries are as follows: 1) Developed countries play a dominant role in promoting world trade. So, the international trade competition today becomes more intensified than that in the past. 2) Trade protectionism is beginning to gain ground over the past few years. Some developed countries have created various types of obstacles for the products made by developing countries. Trade protectionism will possibly be intensified in the next few years. 3) Foreign exchange rate has been a poor risk due to the unstable foreign exchange market since 1985. As a result, there are increasingly more difficulties in choosing the currencies for price calculation while conducting import and export trade and bringing in technologies from abroad.

Unfavorable factors created by Liaoning itself are as follows: 1) The people in Liaoning Province do not have a strong sense of the commodity economy. Some entrepreneurs are satisfied with being quite well-known and do not have a strong desire to march toward the international market. 2) The advantage of cheap laborers has been counteracted to a certain degree due to lower labor productivity. 3) Price hikes are faster than expected. Price hikes not only have brought about an increase in the cost of earning foreign exchange but also have led to an excessively high valuation of renminbi. The excessively high valuation of renminbi can directly result in a situation of encouraging imports and controlling exports. 4) Product mix is not in unity with the export commodity structure. Although machinery and electronic products are one of Liaoning's advantages, these products do not account too much in the proportion of export commodities.

Only when we adopt appropriate measures to eliminate the aforementioned unfavorable factors can we completely realize the predetermined goal of opening Liaodong Peninsula to the outside world. I suggest that we should adopt the following few measures.

1. We should upgrade vigorously our awareness of developing the commodity economy and consciously act to promote the process of opening Liaodong Peninsula to the outside world and taking a part in the great international economic cycle.

2. We should strive to launch the campaign of upgrading labor productivity. Viewing Liaoning's industrial and technical levels and the technical quality of the workers in the province, I think that there is great potential for upgrading labor productivity. Only when the province strives to improve the work with regard to labor organizations, man-hour utilization ratio, labor quota, and raw material consumption quota will the labor productivity be raised substantially.

3. Since opening Liaodong Peninsula to the outside world and taking part in the great international economic cycle is a long-term task, there must be a plan and a



strategy made through scientific appraisal. While working out the plan and the strategy, we must bring the functions of specialists and scholars or relevant departments into full play and draw on the experiences of some other countries and regions, including Singapore and South Korea, to formulate development plans by 2000. The plan and strategy should be formulated by experts. During discussion and appraisal, we must persist in the principle of everybody being treated equal before truth. We must also avoid the phenomena under which plans are formulated according to the appraisals and explanatory notes of some individual leaders' ideas.

4. To maintain the reserve strength for exports and keep a stand on the international market for a long period of time, we must set up a "trade-industry-science" system. That is, we should take trade as an orientation and the international market as a goal to organize production according to the demands of the international market. Meanwhile, scientific research departments should develop new products in line with the demands of the international market; and ensure that production enterprises are able to produce new readily marketable products ceaselessly according to the demands of the changing markets and to occupy a superior position during the intense competition. The formulation of "trade-industry-agriculture" is only suitable to agriculture with potential for earning foreign exchange but must not be applied inappropriately to other spheres. Regarding the setup of "trade-industry-science" system, we can either organize them into an economic association or link them up organically on a contracted basis.

5. We should control the range of price hikes strictly. Unreasonable price systems should be readjusted. However, there must be a process to readjust the unreasonable price systems. The scope of readjustment must not be overextended.

6. We must not adhere rigidly to the unitary pattern of opening to the outside world only by setting up developmental zones. There are many patterns for opening up. Setting up special zones and developmental zones is only one of the patterns for opening the country to the rest of the world. According to the current national situation, Liaodong Peninsula must not strictly adhere to the unitary pattern of setting up developmental zones.

7. We must link use of foreign capital with technological transformation among old enterprises organically to open Liaodong Peninsula to the outside world. So, it is necessary to open to foreign businessmen enterprises engaged in production of export products and enterprises with a possibility of taking part in the international market. Foreign investment should be welcomed. That is, foreign businessmen are allowed to invest in each and every workshop and plant.

**Liaoning Leaders Join In Tree-Planting Event**  
**SK060444 Shenyang Liaoning Provincial Service**  
**in Mandarin 1030 GMT 4 Apr 88**

[Text] Today more than 200,000 people in the urban and rural areas of Shenyang City planted trees in spite of the rain and snow, thus lifting the curtain of the mass tree planting activities.

In (Zhonggong) Street in Tiexi District, more than 1,500 personnel from various large provincial and city organs were drenched by the rain and snow. However, no one sought shelter from the rain in nearby trucks. Li Changchun, vice governor; Li Zemin, deputy secretary of the provincial party committee; Liu Jingsong, commander of the Shenyang Military Region; and Song Keda, political commissar, and leading cadres of the province and Shenyang City and the Shenyang Military Region began work upon alighting from the truck. Li Zemin; and Wang Danbo, chairman of the Shenyang City Advisory Commission were so busy with their work that they did not even have time to raise their heads to observe the weather. They did not leave the worksite until they completed the tree planting work in terms of quality and quantity.

Today the city as a whole planted a total of more than 100,000 trees.

**New Liaoning Law Firm Focuses on Real Estate**  
**OW070915 Beijing XINHUA in English 1133 GMT**  
**5 Apr 88**

[Text] Shenyang, April 5 (XINHUA)—China's first law firm which will handle only real estate cases just opened in Dandong, Liaoning Province, and is a sign the country's lawyers are beginning to specialize.

In recent years, more Chinese citizens are turning to the law to protect their legal rights, and law firms are now faced with handling more cases involving real estate.

The new Dandong law firm accepts cases dealing with interior installation, design, building development and payments for land use and transfer.

Affairs concerning sale, purchase, leasing and the joint management of housing and construction project contracts will also be part of the firm's business scope.

The firm's lawyers are being invited to act as consultants for government institutions, enterprises and social welfare organizations, and are also acting as mediators and arbitrators in real estate civil cases.

## Northwest Region

### Outcome of Gansu Leader's Recall of Newspaper

#### Leader Apologizes

OW062206 Beijing XINHUA in English 0723 GMT  
6 Apr 88

[Text] Beijing, April 6 (XINHUA)—The top leader in Wuwei Prefecture, Gansu Province, has apologized publicly for recalling one issue of the WUWEI NEWS which criticized the local government.

CHINA YOUTH NEWS has been running stories about Yang Zuolin, the Communist Party secretary of Wuwei Prefecture, who ordered an issue of the local newspaper recalled after being circulated, which has provoked indignation among readers nationwide.

According to today's CHINA YOUTH NEWS, Yang was summoned to a meeting organized by provincial leaders who reprimanded him for trying to suppress criticism from the press.

According to today's report, Yang finally admitted he was wrong in trying to have the newspapers recalled, and has not only asked CHINA YOUTH NEWS to publish his apology, but also suggested provincial leaders distribute the apology throughout the province so others can learn from his mistakes.

Yang has also called on the prefectural government to support the press in their efforts to criticize and supervise government work.

#### Governor's Comments

OW070229 Beijing XINHUA in English 1643 GMT  
4 Apr 88

[Text] Lanzhou, April 4 (XINHUA)—Li Ziqi, governor of Gansu Province, today criticized officials in Wuwei City for suppressing news reports critical of their style of work.

On March 16, the "WUWEI JOURNAL" published criticisms of the working style of local leaders from deputies to the city People's Congress.

Irritated, some city officials ordered recollection of all copies already distributed and asked the paper's editorial office to make a self-criticism.

In a talk with Gansu journalists, Governor Li described what Wuwei leaders had done as having seriously affected the party-people relationship and running counter to the new policy of allowing the press to supervise over the government.

Again this shows the need for leaders to know the importance of criticism from the press to improving socialist democracy, he said.

### Hepatitis Outbreak in Xinjiang 'Under Control'

HK061250 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0843 GMT 30 Mar 88

[Report: "Spread of Non-Type A-Non-Type B Hepatitis in Southern Xinjiang Now Under Control"]

[Text] Urumqi, 30 Mar (ZHONGGUO XINWEN SHE)—The spread of the non-Type A-non-Type B hepatitis in some rural areas of Southern Xinjiang Uygur Autonomous Region is now under control. Of the total number of people who have contracted this disease, 97.88 percent have been cured. The number of people suffering from it has dropped sharply.

In September 1986, in Duolu Township, which is in Hetan Prefecture's Luopu County in Southern Xinjiang, people began to contract the communicable non-Type A-non-Type B enteric hepatitis. The disease spread to some of the rural areas in Hetan, Kashi, and Kizilsu. So far more than 122,000 cases have been reported, and 650 people have died of it. The mortality rate has been 0.54 percent.

According to an analysis of epidemic diseases data, these rural areas were hit by this disease because of poor hygienic conditions and poor water supply management. The virus entered some peasants' intestines after they drank unboiled water.

Since the outbreak of the epidemic, the State Council has sent work teams and experts to the affected areas to conduct surveys and direct work on four occasions. Last November, Minister of Public Health Chen Minzhang went to the affected areas to inspect and direct prevention and relief work and improvements on the water supply system. The Xinjiang Uygur Autonomous Region has set up a headquarters for directing prevention and relief work and has sent many doctors, nurses, and health workers to treat the sick and look after the people in the affected areas.

Now life in the affected areas in southern Xinjiang has returned to normal. Local public health and water work departments are trying vigorously to improve epidemic prevention and water supplies in the rural areas and have strengthened public health administration.



**Party Activities Prohibited in Taiwanese Army**  
*HK061118 Hong Kong ZHONGGUO TONGXUN*  
*SHE in Chinese 1330 GMT 4 Apr 88*

[Report: "Taiwan Prohibits Political Parties From Conducting Political Activities in the Army"]

[Text] Hong Kong, 4 April (ZHONGGUO TONGXUN SHE)—According to a news dispatch carried by the paper LIANGHE PAO today in Taipei, Taiwanese policy-making units have laid down "rules and regulations for prohibiting political parties from conducting political activities in the Army," outlawing political activities by any members of political parties in the Army and strictly forbidding servicemen and personnel employed by the Army to take part in any antigovernment demonstrations.

It has been learned that a special group started to examine the aforementioned measures after the curfew was lifted in Taiwan on 15 July of last year. "KMT [Kuomintang] party headquarters" in the Defense Ministry, armed services, and Army units were all been disbanded by the end of last year. Instructors in companies and battalions and "political affairs" units at or above the regimental level are no longer responsible for calling party work meetings and interfering in their routine activities, and panel discussions of party groups and committees and party member meetings in troops have all been cancelled.

It is said that since the order was issued, the KMT status in the Army has changed dramatically. Activities relating to party affairs are strictly banned in barracks, but servicemen are allowed to join political parties on their own behalf.

Taiwanese policy-making units had decided to put an end to the activities of political parties in the Army before controls over political parties were lifted officially. It has been reported that the measure is aimed mainly at creating an image of "no military interference in government affairs" and "no party leadership in the Army."

**'Need' for Mainland-Taiwan Postal Service Noted**  
*OW061432 Beijing XINHUA in English 1140 GMT*  
*6 Apr 88*

[Text] Beijing, April 6 (XINHUA)—Direct postal service between China's mainland and Taiwan should be available, a Ministry of Posts and Telecommunications official said.

The need for direct postal service between the mainland and Taiwan is more urgent since Taiwan started allowing residents to visit the mainland last October, the official said.

Posts and telecommunication departments on the mainland have opened part of their services across the Taiwan Strait ever since 1979, the official said.

The official criticized Taiwan authorities' practice to destroy the stamps and marks on letters from the mainland to Taiwan and stamp political slogans on them before delivery, and entrust a third "non-governmental" party to handle letters from Taiwan to the mainland.

"As the handling of posts is a highly specialized and urgent task, no organizations other than the post office should take the responsibility," the official said.

He suggested representatives from posts and telecommunications departments on both sides of the strait meet to discuss how to open direct postal service across the strait before unification occurs.

**CPPCC Members Comment on Postal Ties**  
*HK061324 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 1358 GMT 31 Mar 88*

[Report by Guo Weifeng (6753 0251 1496) and Zhou Jianmin (0719 1696 7044): "Taiwanese Permission To Communicate by Letters Across the Strait Draws Attention of CPPCC Members of Taiwanese Origin"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE)—The Taiwanese postal department has announced that as of mid-April, Taiwanese compatriots are allowed to communicate by letter, through the Red Cross, with their relatives and friends on the China mainland. The CPPCC members of Taiwanese origin who are attending the first session of the seventh CPPCC National Committee in Beijing are showing their concern over this news.

Lin Shengzhong, chairman of the Presidium of the Central Committee of the Taiwanese Democratic Self-Government League, said to the reporter: This is a good beginning. It shows that the Taiwanese authorities will continue to open up and to lift bans. This will create happiness for the compatriots on both sides of the strait. In particular, this will help the large number of Taiwanese compatriots on the mainland who do not have relatives overseas communicate with their kinsmen on the other side of the strait. However, he said, he did not understand why this form of communication was limited to ordinary mail, which takes some time to reach its recipients. He also hoped that the Taiwanese Red Cross would enthusiastically help compatriots on the mainland locate their relatives on Taiwan with whom they have lost contact so that they can communicate with them.

Associate Professor Rong Hanquan of Ningxia Agricultural College, who is a Taiwan compatriot of Gaoshan nationality, also expressed his gladness to the reporter. He has some 10 relatives in Taiwan, including aunts and uncles. In the past he had to communicate with them through his elder sister in Singapore. "Now there is another channel, and this will be more convenient," he said.

However, many CPPCC members of Taiwanese origin are dissatisfied with this decision of the Taiwanese authorities. Chen Zhiping, honorary director and a researcher of Sichuan's Livestock Breeding and Veterinary Science Institute, and Zhang Chengsheng, secretary general of All-China Federation of Taiwanese Compatriots, showed their dissatisfaction during their interview with the reporter. Mr Chen said that by doing this, the Taiwanese authorities have debased not only the mainland but themselves as well. Mr Zhang said that the Taiwanese authorities have made some progress but that it is definitely pitiable that letters from the people of a country or a nation still cannot be sent directly to their recipients but have to be delivered through a third region or the Red Cross, just like refugees' mail.

During interviews with another seven or eight CPPCC members of Taiwanese origin, the reporter heard the same question: What difference is there between 50 steps and 100 steps? There is no need for the Taiwanese authorities to hide their shame.

**Taiwan People Call for 'Reversing Old Verdicts'**  
*HK070333 Hong Kong ZHONGGUO TONGXUN SHE*  
*in Chinese 1202 GMT 28 Mar 88*

[Text] Hong Kong, 28 Mar (ZHONGGUO TONGXUN SHE)—Reports from Taipei said a "campaign for reversing old verdicts" has been set off in Taiwan political circles immediately after the February 28 Incident investigation

report was released at the strong request of some Legislative Yuan members. It is said that there are 17 most noticeable cases among the many verdicts that people are planning to reverse through the current campaign.

These 17 cases include: the case of Yang Kuei, a Taiwan writer who was sentenced to 20 years' imprisonment in April 1949 for writing a "Peace Manifesto" which was reprinted in the Shanghai TA KUNG PAO; the case of Jen Haien-chun, former director of the Taiwan Provincial Financial Department, who was arrested in June 1954 on the charge of "harboring enemy spies;" the Sun Li-jen case taking place in August 1955; the case of Lei Chen, who was sentenced to 10 years' imprisonment in September 1959 on the charges of "harboring enemy spies" and "stirring up rebellion" because he had spread the view that there was no hope of recovery of the mainland; the Formosa Incident in December 1979; the case of Chen Wen-cheng, a scholar who returned from the United States and was murdered in Taiwan in 1980; and the murder of Chiang Nan (Henry Liu) in October 1984.

Some Taiwan scholars and analysts believe that the current "campaign for reversing old verdicts" in the island is a natural phenomenon during the period of transition from "strongman politics" to the democratic system, a repudiation of the past practices in Taiwan that violated the spirit of rule by law and democracy, and a measure to remedy the past faults.



**Opposition MP Assaults Parliament President**  
*HK071116 Hong Kong AFP in English 1109 GMT*  
**7 Apr 88**

[Text] Taipei, April 7 (AFP)—An opposition MP punched the acting parliament president during a session Thursday, triggering a brawl among legislators, eyewitnesses said.

Chu Kao-cheng darted up before stunned colleagues and smashed the microphone of acting parliament president Liu Kuo-tsai, 78, disrupting a vote on the proposed national budget.

As the opposition MP began punching Mr. Liu, Jaw Shao-kang of the ruling Kuomintang (KMT) rushed forward and got involved in a violent fist fight with Mr. Chu, triggering a scuffle among about 20 people from the two parties.

Mr. Chu and Mr. Jaw suffered slight bruises, the witnesses said.

The brawl occurred as the MP's prepared to vote on an opposition Democratic Progressive Party (DPP) move to return the proposed national budget to the cabinet for replanning.

Mr. Chu, 34, known for his bold behavior and language, later splashed a glass of water on Mr. Jaw's head as the Koumintang MP told the floor that the public must not tolerate "bad guys" any more.

The incident was shown on television news programs.

Mr. Chu has been under court investigation for allegedly violating demonstration laws, interfering with police duties and assault in leading an unauthorized march last week which turned violent and left a some 20 people including eight policemen injured.

The DPP has been calling for more political reforms, including new congressional elections to oust senior members elected in mainland China some 40 years ago.

**March Trade Surplus Lowest in 5 Years**  
*HK070410 Hong Kong AFP in English 0347 GMT*  
**7 Apr 88**

[Text] Taipei, April 7 (AFP)—Taiwan's trade surplus fell sharply to 160 million U.S. dollars in March, the lowest monthly level in five years, the Directorate General of Budget, Accounting and Statistics reported.

Taiwan's trade surplus in March plunged 88.8 percent from the 1.45 billion dollar surplus registered in the same month last year, the government agency said, noting that trade surpluses in January and February were 1.06 billion dollars and 994 million dollars respectively.

Taiwan's imports jumped 67.7 percent last month from March 1987 to reach 4.35 billion dollars, the agency said Wednesday.

Imports from the United States in March alone skyrocketed 151.7 percent to reach 1.31 billion dollars, it added.

The island's exports grew by a moderate 10.9 percent to reach 4.51 billion dollars in March, the report said.

For the first quarter of this year, Taiwan recorded a 2.22 billion dollar trade surplus out of total two-way trade volume of 25.22 billion dollars, the report said.

Taiwan's first quarter exports totalled 13.72 billion dollars, an increase of 21.9 percent from the same period last year. At the same time, imports totalled 11.5 billion dollars, up 63 per cent from the same quarter last year.

The United States bought most of Taiwan's first quarter imports, purchasing 5.45 billion dollars worth of goods.

Europe ranked second, purchasing Taiwan exports worth 2.34 billion dollars, and Japan came in third buying exports valued at 1.95 billion dollars.

The United States also ranked as the biggest source of Taiwan's imports for the first three months of this year, supplying 3.48 billion dollars or 30.3 percent of all Taiwan's goods purchased from abroad.

Japan supplied 29.4 percent of Taiwan's imports worth 3.39 billion dollars and Europe was the source of 13.8 percent of the islands's imports worth 1.6 billion dollars.

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